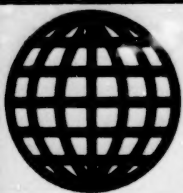


7 OCTOBER 1988



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JPRS Report

East Europe

East Europe

JPRS-EER-88-084

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POLAND

POLITYKA Weekly News Roundup
26000619 Warsaw *POLITYKA* in Polish
No 34, 20 Aug 88 p 2

[Excerpts]

National News

During the most recent meeting of the chairman of the Council of State, Gen Wojciech Jaruzelski, and the primate of Poland, Cardinal Jozef Glemp, the following items, among others, were discussed: the socio-political and economic situation in Poland; the material situation of particular occupational groups; greater expansion of opportunities for citizens to form associations; the development of entrepreneurship while maintaining equality and the authenticity of all sectors of the economy; work on establishing diplomatic relations between the PRL and the Vatican; and also on the celebration of the 70 anniversary of the regaining of independence.

The trade unions have about 7 million members. They operate in 27,400 plants; so far they do not exist in about 800 plants; and in 8,000 they include less than half of the workers.

ECHO KRAKOWA reports the announced levels of tourism between Poland and Czechoslovakia that were to be begin on 1 August 1988 have not begun. The Czechoslovakian side has as yet not confirmed the previously negotiated changes in an official note.

Sanepid has reported the first case of an "import" of bacteria. Nineteen individuals from Sierakow and Poznan who were at a summer camp in Ramzov in Czechoslovakia have become ill with dysentery.

In four localities, local referenda will soon be held. The residents of Slubice will decide on the assignment of about 100 million zloty earned by the town in various competitions. In Radzyn the residents will vote for the construction of a performance-sports hall or a swimming pool at one of the schools. In Biala Podlaska they will decide whether the builders are to finish housing or schools more quickly and on the use of lands on the Krzna River (a State Motor Transport station or recreational areas?). In Podedworz (Bielsko Biala Voivodship), there will be a plant referendum (whether to combine the State Agricultural Machine Station with the State Farm?).

A Gdansk citizens' initiative has developed in the Tri-Cities. The Gdansk voivod, the chairman of the voivodship people's council, the citizens' rights ombudsman, the Gdansk Bishop, and Lech Walesa have sent an appeal to the Sejm containing the following 11 proposals: 1) Legalize the student organizations (Verbum, the Independent Student Association) that are already realities at the higher institutions in the Tri-Cities. 2)

Restore the autonomy of the Gdansk institutions in the spirit of the regulations of 1982. 3) Register the Gdansk Academic Association. 4) Register the Lech Badkowski Political Club. 5) Make it possible to publish regional socio-cultural journals outside of the state press monopoly. 6) Permit the organization of private schools in the Gdansk region. 7) Organize a referendum on the construction of the nuclear power plant in Zarnowiec. 8) Legalize the local ecological initiatives. 9) Register the Catholic Intellectuals Club in Gdansk. 10) Register the Gdansk social foundation for the development of health, education, and entrepreneurship and economic innovation and give it the right to conduct its own economic activities. 11) Agree to the functioning of the social platform for cooperation among workers self-managements. More than 300 individuals signed the documents.

The judges of the Supreme Court have heard the first five of more than 100 protests by citizens associated with the most recent elections to the people's councils. In four cases, the Supreme Court determined the election law had been violated and ordered repeat elections; in the fifth case, it delayed rendering a decision.

Beginning 1 August 1988, bank charges and fees increased, among other things, for convertible-currency transactions. For changing the so-called disposition: for accepting new funds to a convertible-currency account, the bank will demand 400 zloty instead of 100 zloty; for issuing a certificate for export of convertible currency, it will now charge 300 zloty instead of 150 zloty; for issuing a convertible-currency book, it will charge 600 zloty instead of 200 zloty. And for replacing a lost or damaged one, 1,200 zloty instead of 500 zloty.

Near Zgorzelec, during a training flight a Mig airplane belonging to the GDR air force crashed. Both pilots were able to eject. Pieces of the plane partially destroyed the roof of one of the buildings in the village of Gozdanin. No one was killed.

In Wroclaw, the Wroclaw Educational Association, which is to counteract the educational crisis by initiating, supporting, and running educational, instructional, and care facilities financed from its own resources, contributions of parents, and economic activities, and gifts, has been founded. The association is waiting for registration.

The Catholic Intellectuals Club has again been registered in Kielce. The Club existed there in 1980-81; during martial law it was suspended and then dissolved.

The Bialystok GAZETA WSPOLCZESNA has published a list of the 12 dirtiest cities of the world, quoting the American EARTH ISLAND JOURNAL, in which emissions of industrial pollution are the greatest. The cities are Zabrze, Lodz, Katowice, Walbrzych, Liverpool, Bochum, Baltimore, Birmingham, Kharkov, Warsaw, London, and Detroit.

By 2000 metallurgy anticipates the liquidation of five large furnaces and the reduction of open-hearth steel-making plants.

During the last 10 years, the number of newspapers and magazines per capita in Poland has fallen—from 109 in 1976 to 88.5 in 1987.

On the Left

J. Chukovska, literary critic, in the Soviet weekly KNIZHNOE OBOZRENIIE on Aleksandr Solzhenitsyn: "Instead of a request to permit the publication of 'Cancer Ward,' we should first communicate to Solzhenitsyn the annulment of the unjust sentence charging him with treason. We should restore his Soviet citizenship. Only then will publication of his books and their critical analysis in our newspapers and magazines be appropriate.... It is high time to end the extended quarrel with an outstanding son of Russia, an officer of the Soviet Army, a recipient of many battle awards, a prisoner of the Stalinist camps, a teacher from Riazan, a Soviet writer, known all over the world, Aleksandr Solzhenitsyn and to consider the example of his edifying life and his books."

The weekly OGONEK has begun printing a new novel by Anatoliy Rybakov (author of "The Children of Arbat") titled "Thirty-five and Other Years."

A full column article has been printed in RUDE PRAVO titled "Dubcek's Road from Tragedy to Comedy." In the article, the newspaper, after calling the "healthy conception of 1968" "a leninist process of rebirth" for the first time, judged Dubcek guilty for "squandering the chance for implementing it."

In Hungary, an idea to form a National Council for Hungarian Youth (MIOT) has appeared. It is to consist of official and unofficial youth organizations. A commission is already preparing a founding meeting planned for October 1988. The chairman of this commission: "We want to operate as a popular youth front, as an independent social organization. We want popular, socialist, and radical-bourgeois tendencies to have a place in MIOT. There is a social need for the formation of such an organization."

On biographies of leaders. An article in MOSKOVSKIE NOVOSTI (A. Druzenko): "it is necessary to satisfy the interest of the people in the lives of all people at the helm. Unfortunately, we lack the political culture to allow for open, unregulated, full presentations of biographies of leaders.... I think that we should know a great deal about our leaders. Without this, democracy is not complete. There have been, are, and always will be leaders. In the era of openness, they cannot remain in the shadows or cover themselves with the screen of officiality. People want, and should, know their leaders not just from their portraits and official minutes of meetings. They also desire to know their personal characteristics,

abilities, character, temperament, way of looking at the world, personal views on the problems of concern to society, and their contribution to solving them."

In the GDR, sentences were issued for a group of young neo-Nazis. The district court in Koenigswusterhausen sentenced four young people to 12 to 19 months of imprisonment. During the court trial, they were convicted of having harassed members of their age cohort during a dance. One of their victims they accused of being a Jew; a second they forced to repeat fascist slogans while kneeling. In Neubrandenburg, two hooligans were sentenced to jail for insulting Polish citizens.

Opinions

Dr Wlodzimierz Borodziej of the Institute of History of Warsaw University:

[Question] Most researchers complain the archives are not open yet, and you seem to be satisfied....

[Answer] This is an exaggeration. I claim that things are much better than they were, but this is not what is required. In spite of the fact that there has been an archive law in Poland for years that establishes the period of secrecy for archives at 30 years, the archives of the Central Committee, the Ministry of Internal Affairs, the Ministry of Foreign Affairs, etc, have been excluded. No one ever knows who will get permission to see them and who will not and for what reason. The excluded archives do not have to give such reasons. It sometimes happens that we get permission but only for very selected groups of documents. Everyone of us has experienced this.

(Interviewed by Halina Retkowska, GLOS WYBRZEZA 30-31 July 1988)

Prof Dr Jerzy Wiatr, sociologist:

[Answer] The majority of the working class has a negative attitude not so much toward socialist ideas, for the leftist traditions are very strong in Poland, as toward the practice of socialism. Today the working class, to a lesser degree, supports the authorities and party; we know this fact from various elections in recent years. The worst turnout is in the large industrial districts, with the exception of Silesia. Krakow is a good example; in the most proletarian district, Nowa Huta, the results of the voting are the worst. The working class has an tremendous fascination with the Church, as a political institution, and the Pope. Hence the Vatican ads and the portraits of the Pope in the striking industrial plants. This phenomenon is uniquely Polish. No where in the world is the Church so tied to the working class as in Poland. And this is largely a result of the disillusionment with the policy of the last few years. The party is responsible for this regression in working-class consciousness.

(Interviewed by Stanislaw Jadczyk, SZTANDAR LUDU
29 February 1988)

Wladyslaw Sila-Nowicki, lawyer:

[Question] During your trial, eight defendants received eight death sentences on 15 November 1948....

[Answer] All of them, except for mine, were carried out in March 1949. The intercession of Aldona Dzierzynska, the sister of Feliks, with the ambassador of the USSR Viktor Lebedev saved me. My aunt, the older sister of my father, Stanislaw Sila-Nowicka, married Ignacy Dzierzynski, the brother of Feliks.... She had a great deal of influence. The powerful ambassador always received her immediately, but he never intervened in this type of situation, and she had to ask him many times. It suffices to say that the last conversation, after which he finally went to the Belweder to see Boleslaw Bierut, lasted six hours. ...Bierut did not take advantage of his power to pardon anyone other than me.

(Interviewed by Andrzej Zakrzewski, TYGODNIK
KULTURALNY 7 August 1988)

Doc Dr Gwidon Rysiak, head of the Department of International Public Law at Jagellonian University, SD activist:

[Answer] I would only draw attention to a paradox. On the one hand, all activities directed against the principles of the Constitution of the PRL of 1952 are unacceptable. On the other hand, it is widely said that some principles of this constitution must yield to other, more modern ones. How can one openly discuss a new constitution when de facto that is undermining the currently binding one, or is illegal activity?

(Interviewed by Zdzislaw Zaryczny, ZYCIE WARSZAWY 2 August 1988)

Michael Maciejewski, chairman of the Skierniewice Voivodship People's Council:

[Answer] One of the journalists emphasizes my unaffiliated status, which is a little amusing to me; in my long life I have met unaffiliated individuals who were so servile and humble with respect to the party authorities that it was grotesque. My unaffiliated status lies in the fact that in judging I use logic. It is easier for me to think in realities and not cliques. Logic suggests that it was not only my unaffiliated status that produced my slight advantage over the opposing candidates as much as the fact that I am new. Our society needs confirmation that no one has any position forever, that renewal, democratization also occurs by changing suits.

(Interviewed by Dorota Obidniak, WIADOMOSCI
SKIERNIEWICKIE 4 August 1988)

Edward Szot, director of the Wierzynek restaurant in Krakow:

[Question] Do employees have to undergo additional examinations?

[Answer] An employee must always have the results of his current health examination in his health book. Prior to the visit of Secretary-General Gorbachev the staff doctor gave the employees an additional examination. Did they have any scratches, wounds, etc. Only the key personnel were allowed to prepare the food, the best cooks, waiters. For three days the government doctor was with us, who again checked everything carefully. Precisely what they did I do not know, for that is a secret, but I saw how he checked the products, tasted the food. The raw materials must be the best and very fresh. We buy them on the day of the meal, for example, vegetables from a seller at the market, who, however, does not have the right to know what they are to be used for; discretion and anonymity must be maintained.

(Interviewed by Katarzyna Kieta, ECHO KRAKOWA
5-7 August 1988)

The views and opinions cited in this section do not always agree with those of the editors.

13021

Soviet, Czech Writer-Combatants Visit
26000589f Warsaw TRYBUNA LUDU in Polish
8 Jun 88 p 2

[Article: "Soviet and Czech Writer-Combatants in Poland"]

[Text] To celebrate the 45th anniversary of the founding of the People's Polish Army, the commission for cooperation with the armed forces ZG [Main Administration] Polish Literary Association organized a military-historical trip that followed the course of battle taken by Marshal Ivan Koniew, the 2nd Army WP [Polish Army] and the 1st Czech Corps. Participating were delegations of writers-combatants and battle painters from Czechoslovakia, the USSR, and Poland.

On 7 June the participants of the trip, which proceeded from Warsaw through Dukla to Prague, were met by the 1st Assistant of the GZP [Main Political Directorate], WP Chief Vice Admiral Ludwik Dudkowski.

12411

Polish-Soviet Cultural Contacts

26000589g Warsaw TRYBUNA LUDU in Polish
9 Jun 88 p 8

[Article: "Cultural Cooperation Poland-USSR"]

[Text] Moscow, PAP [Polish Press Agency]—The Deputy Director of the KC PZPR [Central Committee Polish United Workers' Party] Cultural Department, Miroslaw Slowianski, visited Moscow. He met the director of the KC KPZR [Communist Party of the Soviet Union] Cultural Department, J Voronov; the Deputy Minister of Culture in the USSR, N. Sinkowa; and the first assistant leader of the USSR Government Commission for Cinematography, M. Myedvyedev. During the meetings the problems of cultural cooperation between the PPR and the USSR were discussed, as well as the level of preparations for the Festival of Polish Song in Vitebsk.

12411

'Opinion Workshop': Representative Views on Reform Success Possibilities

26000586 Warsaw TRYBUNA LUDU in Polish
9 Jun 88 p 4

[Article by P.R.: "The Aims of Social Development" under the rubric "Controversy About Today and Tomorrow"; first paragraph is general introductory paragraph]

[Text] The Center for Testing Public Opinion [CBOS] each year organizes a so-called Opinion Workshop by calling on persons who represent the various intellectually and politically active sectors of our society. This year's "workshop" was devoted to the necessary and possible results of reform in Poland. We are presenting the final conclusions of this testing, which have been worked out by CBOS.

Without doubt the crux of ideological research is the visualization of the aims of social development. In this key matter there are three tendencies: 1) the attempt, at all costs, to catch up with societies of plenty, 2) the minimization of consumer aspirations in step with the limited possibilities of the Polish economy, 3) the creation and implementation of a new shape in the progress of civilization and system.

The first of the above orientations assumes stability in its formula of goals, which was formed under the influence of the vision of communism as a society of plenty which satisfies the constantly growing needs using an infrastructure of high technology—a vision which is associated with the demonstrated examples of consumption in the wealthiest nations in the West.

Catching Up

"It cannot be imagined that Polish society would want to accept a lifestyle which, while giving more freedom in the mode of behavior, especially in one's profession

(work without effort), would be definitely lower in its standards of consumption, as seen in the Western nations. To give something up, one must first have it or at least have the possibility of obtaining it. Therefore, in the near future there is no sense in the proposition of definite cultural/spiritual priorities, which ignore the effects of the international demonstration of materialism. The chase after the Western example is not confined to Poland, but has taken various forms in other countries, for example; in the Soviet Union and China it is limited by the national awareness (that is the nation as a power) of responsibility for the development of events on an international scale. In the case of Poland it has not been possible to fill the gaps in consumption. The Soviet feeling of power, the East German sport successes, or the French conviction about their exceptional artist-intellectuals, cannot, at this time, be emulated in the Polish consciousness, (...)

"One must be aware at the same time, that the vast majority of Polish society would be ready to accept political limitations in democracy (...) under the condition of obtaining a great achievement in the material standard as judged on a comparative international scale. (...)"

The supporters of the second type of tendency differ from the advocates of the first that in recognizing the realities which are unfavorable for Poland, they assume the necessity for lowered aspirations. (...)

There is no danger in the near future of rapid development of either the economy or high technology. The strategy for economic development for the next 2-3 decades could be described as "defensive." The enormous national debt does not allow for any delusions.

In the face of these realities a part of the respondents' postulates:

"(...) overcoming the self deception, delusions and mirages for a fast enrichment (in 2-3 years) and equalling the world's leaders (with the help of leaping ahead); producing the recognition of the realities in a small, poor, backward nation which must first concern itself with providing a minimal standard of normal life for its citizens, rather than showing the higher importance of the Christmas holiday over the Easter holiday; the conclusion that a Pole can, that Poles are not geese; that we are such people whom the world sees, admires and cheers."

From these positions there is critique of the widespread method for interpreting the reform and its expected results.

"I get the impression that among the heralds of the opposition as well as those of the government there is a sacred vision that there will be a shortened version of the development which took place among the capitalist nations—starting with the initial accumulation through

the industrial-technological revolution and ending with a prosperous society which embodies freedom for the citizens. But this vision would make sense only if it had the support of somekind of a god...time would stand still until the moment when all our problems are normalized."

The alternative to chasing the society of plenty, at any price; or ignoring the call for development by minimizing aspirations is the search for new forms in civilization-system progress. According to the supporters of this orientation the type of development which is set for the maximum conversion of nature into goods—developed under capitalism, and then taken over by socialism with the proviso that this be done not just efficiently but justly—is compromised in the face of new economic and humanitarian demands.

"... I would not want to downgrade the achievements of technology or human organizations, I, of course, value the inevitability of progress, I would only like to say that there is no place to which to hurry. The world will not run away from us, because there is but one, and, in my opinion, it is stupid to tell oneself that it is necessary to chase it. This is not necessary. (...)"

A New Shape

In this world which is rushing forward the need to slow down and set one's consciousness to "be" is becoming more clearly articulated. In rushing for our "have" we can again, in our thinking, be "left behind" and get behind in other areas than just the material field. Therefore, in rebuilding the economic side... we should begin the long process of formulating a new definition of "wellbeing of society", as you gentlemen call it in your survey, so that we would not get surprised again by the near-future in which people, because of demographic, energy needs, and ecological reasons, will have to make substitutions in their "have".

"The basic aim of the reform should be the preservation, strengthening, and development of our cultural unity. But a basic obstacle in attaining this goal is, in my opinion, the far reaching falsification in our social consciousness. (...) Polish society is a Slavic and peasant society... The most basic ethos [characteristic] of the peasant is...the ethos of toil... It is necessary to differentiate the ethos of toil from the ethos of work, which belongs to persons who are struggling with a nonliving material, that is: workers and tradesmen. Moreover, in modern societies there exists the ethos of the intermediary, the ethos of sellers and bankers... The ethos of the middleman, under the influence of various factors brought forth the ethos of profit, which on the one side contributed to economic development while on the other led to spiritual emaciation in the western regions of Europe and in the United States... Among us it is only the deep rooted, uncritical cult of the West that does not allow us to notice this emaciation in all its breadth. This cult is one of the main reasons for the already mentioned

falsification in our cultural awareness (...) In reality we need opposition—opposition to such premises, such aims, such ideals. If we cannot find this opposition then we will continue to await the fate of the plucked peacock and the sclerotic parrot. (...) We need a new definition of wellbeing (a very appropriate term!) whose components would be the following elements: a moderate, but universal, prosperity; a radical improvement of personal relations among people which is unobtainable without making society subjective (various forms of self-organization); and finally, the healing of the relationship with nature, which we have managed to devastate catastrophically while we were chasing daydreams."

The condition for this progress, in which some see a chance for inculcating the ideals of socialism and renewing the social attractiveness of this system, is theoretical work aimed at the recognition of the demands of the future.

"The creation of scenarios for the future is necessary—especially in Poland. For many years there has been action against the consideration of alternatives in the face of official solutions and decisions. The contemplation and argument about the future was conducted disguised in historical terms. Social thought lost much of its variety and perspective (...)"

"The old concept of social order falls under the weight of facts. The negation of the old concept permits the formulation of new general principles. A new consensus is being drawn, but it exists only through the support of two general principles: the order of horizontal understandings, the linking of the plan and the market, the accentuation of self-rule, multi-subjectivity of society, changes in the area of property relationships (...)"

The authors of this poll analysis, at the end do a summary of the views expressed by their respondents. Here are fragments of this summation:

In the state of consciousness reflected in the replies from the opinion forming centers there is a prevailing proreform orientation, and also the chance for the widening of understanding—under the condition of altogether expanded possibilities of subjective participation in political life and the overcoming of sources of conflict in the field of world perception. (...)

Within the bounds of the prosocialist forces there are three types of processes coming into play under those conditions.

The first expresses itself in the consecutive wave of disillusionment with socialism and resignation in favor of other, mainly procapitalist orientations, and this also include a part of the ideologists of this current.

The second has the character of a simple, almost naturalistic, defensive reaction—efforts to halt the processes of change in the social consciousness and in practice

mainly through administrative methods, by making articulation and spread of this type of views and postulates more difficult. By slowing the possibilities for political self-organization by society in accordance to the changes coming about in economics and consciousness. Those who are so "lined up" and the institutions they dominate are sentenced to a defensive posture in opposition to the new alignment of power, and in this against a major part of the prosocialist forces which are seeking deeper changes in programs and methods of action...

The third mode of behavior among prosocialist forces, the most universal one, is based on the spontaneous adaptation to the changing situation, the overcoming of the intrusive dogmatic growths in consciousness and in practice, the search for methods of realizing, under new conditions, the socialist ideals.

This is fertile soil for a fourth type of orientation which is aimed at a redefinition of goals and methods of socialist transformation, and from this position, the aggressive organization of a wide front of peoples' forces. The goal of this attempt to rebuild ideology, and at the same time the practical attraction of socialism, is to make progress subordinate to humanistic values. In the bounds of the program, the minimum is to steer the reform toward changes in the structure of the economy and priorities in development so that work activities would be supported by incentives of realistic chances for the wide attainment of a standard abundance and rejecting the tendency to drive economic growth mainly through economic violence at the price of enervating the greater part of society. In the bounds of the program the maximum would be the assumption that new demands of progress, brought on by ecological needs and the universal subjectivity of the people, will bring about the necessity and possibility of substituting for the race in transforming nature into products—something that is proper in a civilization which was shaped with capitalism—with optimization of the uses of nature and social relationships suited to the needs of life of modern and future generations, for the whole of all nations. This is how a new type of need for societies will arise, among which the Polish society will be one, in a mode of progress in civilization-system, one that is opposed to capitalism and the old type socialism.

On the basis of the statements given by the respondents of the "Opinion Workshop" we can deduce how the alignment of forces and orientations is shaping up in our country. As to which will be the dominant ones, how the alliances and fronts of contention will form, will be the deciding factors for the near and further future Poland.

Changes for 'Socialist Democracy' in 'Unbending Political System' Viewed

26000642a Poznan WPROST in Polish
No 32, 7 Aug 88 pp 4-6

[Interview with Prof Hieronim Kubiak, member PZPR CC, sociologist, by Piotr Grochmalski: "Democracy Without an Adjective"]

[Text]

[Question] In an interview you gave to ZDANIE in Krakow, you said that you never had political ambitions, you stated: "In 1981, many events happened on my way." These events were, among other things, your election as a CC secretary and Politburo member at the 9th Congress.

[Answer] I certainly knew that I would be a candidate to the Central Committee. After all, this was the decision of the Krakow delegation to the congress. However, the role I was to play later came as a complete surprise to me. To tell you the truth, only one hour before the 1st Plenum of the new CC was I approached with the suggestion to be a candidate to the Politburo and to [the position of] secretary...

[Question] Approached?

[Answer] Kazimierz Barcikowski talked to me...

[Question] ... who, incidentally, was the only candidate for first secretary at the time, apart from Stanislaw Kania. Anyway, returning to your person, I must admit that the pace at which you rose to the narrow circle of party leadership must have been very surprising.

[Answer] With all due respect, nothing like "the narrow circle of party leadership" exists, according to the party statute.

[Question] However, we are talking about reality.

[Answer] In reality, as well, nothing like that can exist, because leadership is an institution which was brought to life and operates in keeping with the party statute. If these norms are violated, then what we have are pathological phenomena.

[Question] You discharged the responsibilities of secretary for barely a year. You left after pointed attacks by a group of party functionaries. You must have been deeply affected by the brutal form of the political struggle against you. In the interview mentioned above, you said: "If, on top of this, such criticism resorts to means which cannot be accepted under any circumstances, this is all the more painful. I mean here the leaflets signed by the so-called Movement in Defense of the Socialist Motherland, which could be found even in the canteen of the Central Committee or right in the auditorium during some plenary meetings." It looks like you, a theoretician

working on, among other things, the sociology of political relations, got entangled in a certain political game at the time, not being precisely aware of what it is about and how informal it can get.

[Answer] Such an interpretation would only prove that I am naive. This is why I defend myself against such evaluations of my actions. You see, my personal history took such turns that I got the title of a controversial person—within my own party, that is—relatively early. My participation in political life, more vigorous than called for by professional necessity alone, was always associated with periods of crisis. While still in the student movement, the more fanatic functionaries of the apparatus called me a social democrat, and this label stuck to be. During the first plenary meeting of the new CC, when the Politburo was being formed, one of the first questions I was asked went: "How long have you been a member of the KOR [Committee for the Defense of Workers]?" It is easy to figure out the intentions of the person who asked it, if we take into account the situation when it was asked. However, I resigned the position of secretary not only because I had opponents—now we can say openly, conservative opponents—inside the party too. This was an expression of personal loss by me. As it were, it turned out that the arrangements, which I had proposed and come out in favor of, turned out to be ineffective at that time. Let us ignore at this point the question of whether they could [have been effective], under what conditions and who interfered so that it did not happen.

[Question] Could it be that you, an opponent of coercive solutions to the last moment, were to be used in order to prove that such a scenario for a solution is impossible?

[Answer] You can say anything about me, except that I was somebody's instrument...

[Question] However, is it not astonishing that you, a person, as you have yourself noted, with a certain label, was catapulted so high at this very moment, while later...

[Answer] You are trying to tell me exactly that I did not know my way around in court intrigues and, as the apparatus puts it, let myself "be dropped." Nothing of the kind. What I was doing was an attempt to realize the dreams of a certain group of people, not a small one at that. These dreams emerged in a specific form for the first time as early as 1956, and have accompanied every subsequent crisis since. However, it has always turned out that they were impossible to translate into reality.

[Question] You were not successful in doing this either in the years 1981-1982, when you had an opportunity to implement them.

[Answer] Well, what is happening now? There still is no opportunity to improve the political system unless these very dreams, which have accumulated in the Polish national consciousness over more than 30 years, are

realized. Dreams of democracy, pluralism, the opportunity to articulate and represent the interests of your own group in political life, efficient methods of social control over political, administrative and economic authorities, freedom of speech, state sovereignty, a partnership rather than paternalistic relations with the USSR.

[Question] On the one hand, it has been obvious to a majority of the populace for decades that significant changes must be made; on the other hand, there has been a string of crises which deposit in the consciousness of the people the notion of impossibility of overcoming the inertia. Why have we lost so many years? Unfortunately, I looked in vain for an answer to this question in a report by the commission you chaired and which was supposed to ascertain the causes of social conflicts in postwar Poland.

[Answer] It is true that diagnoses for the state of affairs, which was in need of a cure, and the knowledge of how it should be tackled have existed for practically 32 years. Why has this not been done? Putting it in the simplest terms, because, in the group of socialist countries, carrying out the amount of reforms, as necessary as our daily bread, was just impossible in a single country the size of Poland.

[Question] Therefore, people from the outside are responsible for everything? Back then, these were imperialists, and now...

[Answer] Oh no! Every such situation of external entanglement also results in creating the need for inside people with whom this type of thinking and action agrees. It is not strange that such people were found in our country too, as well as in other socialist countries. This, however, was a secondary result of strong external pressure. These people would not stand a chance under different conditions, if it hinged on a confrontation of arguments and the freely expressed will of a majority.

[Question] At present, however, the situation is different. After all, changes are being made in the foundations of the system, and [in the place] where this system emerged.

[Answer] Therefore, you are asking why changes in our country occur so slowly and their results are so small, despite the fact that only the consequences of influence by an old external arrangement remain to be overcome? It is difficult to give a simple answer to this. Because it depends only in part on those people exercising political power, on their skill, imagination, dreams, fears, and also courage. To an immense degree, it has to do in this instance with a contradiction inside the system between the expectations aroused—on purpose, in order to mobilize social energy, and at the same time gain acceptance for the system—and the opportunity to satisfy them. The expectations have not been fulfilled, and creative energy has turned into anger. The entire drama at present

involves making genuine changes, that is, not only cosmetic ones, not only to calm the tempers, but such as to create an irreversible new quality, while avoiding yet another turning point, and in the very tense social atmosphere. Undoubtedly, under the current conditions many things have to be reconsidered from the very beginning. For example, the degree to which the pressure of the international situation influenced the policy decisions of the 9th Congress and subsequent techniques of their implementation is extremely interesting for me. In other words, how far would the situation change if the congress were held in the environment of Soviet perestroika, if it had the entirety of transformations currently under way in the Soviet Union in its external environment...

[Question] Many indications are that this would not change the pace of reform in Poland significantly. After all, the so-called pregress theses for the 10th Congress, prepared after Gorbachev came to power, surprised us by the caution of their wording.

[Answer] The pregress theses. Let us recall that even they were considered to be consent "to sell out socialism" by a segment of the party, a minority, to be sure, but a noisy one. If what you are driving at is the conclusion that from 1981 and until now we have been experiencing the phenomenon of wave motion of sorts: promising, beautifully announced in Polish declarations, contradictions between the expectations they raise and their implementation, after which a return usually occurs, to a great degree, to old practices and old parlance—then it will be difficult to counter this conclusion. For example, we have the 6th Plenum, supported also by my vote, which announces the phase of intelligent, far-reaching steps, finally bringing dynamics to our political system. It quickly turns out that the road to implementation is long. Words remain just that, words. The next, 7th Plenum meets. What does it resolve? That the promises of the 6th Plenum have to be fulfilled, what else. And time passes. These facts cannot be put down to external stress and yielding to someone else's pressure. The cause is within our own party, including its political leadership...

[Question] What use is it if the gulf between declarations, human expectations and real changes appears to widen dangerously? The system is becoming increasingly hard to steer, it responds progressively less to the actions of the current political crew.

[Answer] You are talking about too many issues all at once. I agree with one thing, specifically, that at present it is difficult to read unambiguously the processes under way in society and in the party and to ascertain the reasons for the inertial stability of old and, after all, criticized political, economic and cadre structures. As much as I would like it, I do not have any simple answer,

even for myself. I know that we should seek it without fear, seek it in an open discussion, where every argument, every rationale and the social force representing it count.

[Question] Every PZPR first secretary to date has gone through a similar transformation after a certain period of discharging this responsibility—he has begun to believe in his infallibility, uniqueness and irreplaceability. He exercised his power in a way characteristic of the so-called personality cult. In your opinion, is there an opportunity of returning to such practices now?

[Answer] Such a danger exists always, regardless of the system. After all, the mechanisms of politics possess a tremendous force destroying human personality. However, the danger is incomparably greater, and it puts a given leader in a losing position almost to begin with, when neither the ruling party nor the state mechanisms have a continuously built-in opposition, or, alternatively, self-opposition as an element whose reason for being is criticism. Also, when the term of exercising power is not unambiguously defined by the constitution to begin with, e.g. two terms only, no exceptions. Under these circumstances, even individuals with the strongest personality who exercise power find themselves in a situation characteristic of the feudal court: the peace is only sporadically disturbed by outside events.

[Question] What about court intrigues?

[Answer] The court's reason for being is stability, hence the instinctive aversion of courtiers to all changes. After all, they know that, when the power holder goes, a majority of them will be forced to share his fate. However, when it is already known that his downfall is unavoidable, a brutal struggle for survival, for remaining in circulation, breaks out among the courtiers. Those among them who are shrewd or cynical enough to bet on the right "horse" have an opportunity to join the new elite. However, let us not forget that even at a feudal court there was a safety valve of sorts, due to which the truth could surface—this was the jester. He gave the power holder an opportunity to make continuous corrections. However, when the jester disappeared at modern courts, only a few were in a position to risk everything they had, e.g. their position, and occasionally also freedom and life, in order to present to the sovereign a critical evaluation of his decisions. This is how the truth, hidden and accumulating for years, turned from a creative factor, which allowed the elimination of erroneous undertakings in time and the selection of the optimal ones, into a force destroying the entire structure at once.

[Question] Don't you think that the continued lack of mechanisms for rotation in our political structure is one of the greatest anachronisms? If structural reforms were to be treated seriously, then they should embrace first the backbone of the system, that is, the party, which continues to operate along certain stalinist prototypes.

[Answer] The reforms which need to be carried out in the party in order for it to operate efficiently within the framework of a modern, democratic state are too broad a topic, and at the same time too significant for me to be able to present it in several words. However, rotation absolutely is one of the elements of the mechanism, without introducing which we cannot conceive of overcoming the black series of Polish crises to date. These, however, will have to be mechanisms of absolute rotation, i.e. no exceptions for any person, even if this person were to display altogether exceptional political abilities. Two terms appear to be an optimum arrangement. Eight to 10 years is time enough for the mechanisms of politics to be able to destroy even the strongest personality.

[Question] The rigidity, or rather the lack of correspondence between our political system and reality, is due to, among other things, the legally operating parties not reflecting the actual differentiation of our society. Therefore, in your opinion, to what degree should we allow in politics a free manifestation of differences between the interests of individual social groups, the formation of new parties, which would defend these interests?

[Answer] I believe that there can be only this restriction—that the system be able to operate efficiently and preserve its own identity at the same time, despite this differentiation. Therefore, we should not, for example, say ahead of time that we allow only parties which are so and so, or only the ones which represent a particular ideology. Any spontaneous attempt at organizing into some group to defend one's own interest should have an opportunity to come onto the political stage, inasmuch as this does not undermine the systemic continuity of the state. Only in such a play of forces does the actual majority decide the future of the state and the people.

[Question] In the report on the work of the commission for investigating the causes and course of social conflicts in Poland we read that socialist democracy is a value built into the system for good, and that it ensures "the broadest possible, conscious and active participation by society in achieving the goals set." I admit that I do not understand what this is about. Does something such as socialist democracy indeed exist?

[Answer] The old version of the semantic scope of this term meant simply that this is sort of democracy in the name of the majority. Thus, a certain group of persons exists which really knows what the class interest of the majority is, and, due to this, pursues it in its name. The result is known from practice, and does not merit comment. It turned out that we have to create the mechanism of democracy anew. As a political form, democracy is neither socialist nor bourgeois. In turn, the goals to be achieved through a given political form may be socialist or otherwise. There is no genuine participation by the masses in governing without political democracy, and there is no socialism without such participation.

Commentary on Kubiak Interview: Slow Pace of Implementation Attacked

26000642b Warsaw ZYCIE GOSPODARCZE in Polish No 33, 14 Aug 88 p 12

[Article by S.C.: "When in Practice?"]

[Text] "It turned out that we have to create the mechanism of democracy anew. As a political form, democracy is neither socialist nor bourgeois. In turn, it is the goals to be achieved through a given political form, which may be socialist or otherwise. There is no genuine participation by the masses in governing without political democracy, and there is no socialism without such participation."

"We need a new model of the party and a different concept of governance. What distinguishes communist parties in the socialist system is that they are, at the same time, parties exercising power, governing and even managing, i.e. discharging strictly managerial functions. Meanwhile, every indication is that they should only be exercising power."

These quotations are taken from two of the most weighty articles to be published recently in our press. The first one is from an interview with Prof Hieronim Kubiak, which appeared in WPROST, the other—from an article by Zbigniew Madej, carried by POLITIYKA. There are many reasons for the weight these materials carry. Firstly, they involve the party, or, more precisely, changes which should be made not only in the way it operates, but also in the concept of the role it should play. For quite a while, many people, including the undersigned, have believed that carrying out profound and much-needed democratic reforms in the entire [sphere of] social life would not be possible without far-reaching changes in the party. This is also the case with the economic reform.

Second, the authors, though not without academic titles, have themselves vigorously participated in exercising power. Therefore, their considerations are based not only on theoretical premises, but on rich practical experience. After the 9th [PZPR] Congress, Prof Hieronim Kubiak was a member of the Politburo and a CC secretary, and Associate Prof Zbigniew Madej—deputy prime minister and chairman of the Planning Commission of the Council of Ministers.

I do not want to create the impression that there are no significant differences between the statements in the two articles by stressing the similarity of topics and, in a sense, of the practical experience of the authors.

What Prof Kubiak does is to pose questions, and outline problems in need of a solution. Despite the fact that the diagnosis of the state of affairs in need of a cure and the knowledge of how to tackle it have existed for 32 years now, why has this not been done thus far? After all, external factors were not the only influence in this matter, and in recent years, Soviet perestroika is an

exceptionally important favorable, rather than impeding, factor. Why is [the resolution of] the 6th [PZPR CC] Plenum, announcing changes in the political system, not being implemented? Why is the road from intelligent words to practice so long? What is causing the inertial perpetuation of old political, economic and personnel structures, viewed with criticism?

Associate Prof Zbigniew Madej offers considerably more specific suggestions. It has nowhere been proven that marxism and socialism should be equated with a single-party power system. Our party is moving slowly from the sphere of management to that of exercising power. However, this is done under the pressure of social explosions, and is treated by a segment of party functionaries as a forced concession, rather than consciously shaping the new nature of the party. This process should be favored by the economic reform, endowing enterprises with greater autonomy. However, we should add here than an attempt by the party, or at least a segment of its apparatus, to hang on to the position of manager is an unfavorable influence on the economic reform. Thus, the dependence is mutual, and we should keep in mind the linkage, due to which delays and failures in reconstructing the economic system compromise not only the reform, but also the party as incapable of introducing effective changes, at least in a segment of the public opinion.

This is not to say that Associate Prof Madej does not also use the device of asking questions. For example, he asks whether our current difficulties are a Polish specialty, or a manifestation of a crisis in the system; whether an efficient economic model can operate under the current political system in Poland; which measures is the party proposing in order to extricate our country from the crisis and place it in the orbit of contemporary civilization.

However, he mainly tackles the second postulate, proposing many changes in the political system.

It is good that such articles are beginning to be published, and increasingly often, at that. It is bad that the influence of ideas contained in them surfaces ever so slowly in practical activities.

9761

Farmers' Circles Appeal on Election Turnout
26000589h Warsaw TRYBUNA LUDU in Polish
8 Jun 88 p 2

[Article: "KZRRiOR [National Association of Farmers, Farmers' Circles, and Farm Organizations] Appeal"]

[Text] To the members of the farm housewives' circles, members of Farmers' circles, activists, and workers of farmers' circle cooperatives!

Taking advantage of the rights resulting from the democratization in the election rules for election to people's councils, the [National] Association of Farmers, Farmers' Circles, and Farm Organizations have placed thousands of their members on the candidates' lists for election to councils in the communities, towns, and voivodeships. On the election lists there are candidates of whom 85,000 are male or female farmers.

In the care to improve living and working conditions among the farm people and to eliminate the faults in administration in the cooperatives and the various public services, which have been criticized by the farmers and rural population, our organization has selected the best from among the best activists as candidates for council membership. We see in this a way to strengthen the peasants' influence on the efficiency of the government in towns and communities, services rendered to the rural inhabitants, to farmers, to ease the difficult work of the rural women.

The farmers' circles and the farm housewives circles are acting in their common peasant interest by backing our candidates through the act of voting. Our own matters, handled by our own hands, by the hands of our best daughters and sons of the farmer's toil. We will achieve in the communities and in the villages as much as we can work upon under their leadership. This is why, in the coming elections to national councils, we will support the best of the best. With our combined effort expressed in voting we will build strong and managerially able national councils.

12411

Hall Warns of Assimilation Danger in Legalizing Opposition

26000631b Gdansk GWIAZDA MORZA in Polish
No 16, 31 Jul-7 Aug 88 p 8

[Article by Aleksander Hall]

[Text] Recent weeks have brought a number of statements from persons in the circles of authority indicating the possibility and even the need for bringing the opposition into the political system. As a rule, these statements contain a caveat that they apply to that part of the opposition which does not think in terms of "the worse it is, the better," and which is ready to accept "constitutional principles." It is obvious that recognizing the political opposition as being not only a real fact, but also a legal fact, would be to make it a component part of the State order. This would be an important positive step in the conversion of the Polish State in the direction of democracy, giving it a model which would permit the vast circles of society to perceive the State as an institutional expression of national striving, and not as an instrument of the ideological and political domination of a minority over a majority.

But have the authoritative circles of the ruling camp really come to believe that the political opposition must be recognized as being not only a necessary evil, but that it must be recognized *de jure* as a necessary element in the States' structure? This would be a bold act, proof that the national interest is being put over parochial interests. It would also be a departure from the logic of the policy implemented in Poland thus far by the ruling camp. There is no place in this logic for the subjectivity of society, and therefore there is no place for the legal validity of political pluralism, which would bring about a contest of programs, political philosophies, and people. Naturally, the past practice of this system must not determine the political thought of the people in the ruling camp. But it does tell the opposition circles to be cautious and not allow themselves to be deluded.

Without prejudging the intentions of the advocates of the legalization of the political opposition in the ruling camp, we must also consider the possibility that in essence it is not a matter of legalizing the opposition, but of reconstructing the old facade and, at the same time, giving the opposition circles the task of sanctioning the policy formulated by the forces which have done this thus far. The consequence of this would have to be the use of the authority of the opposition circles in society, and perhaps even the discrediting of the idea of a political opposition itself. Naturally, no reasonable person on the side of the opposition will propose, as a preliminary condition or as verification of the authorities' intentions, that a demand be made for open elections to the Sejm. Nor should there be approval of the present practice, in which participation in official public life requires acceptance of the formula of the moral and political unity of the nation, as expressed institutionally by the joint front of forces (once called the National Front, then the National Unity Front, and now called PRON), which acknowledges the leadership of the marxist party and actually makes itself available to it.

Poland does need a political opposition, and even more, it needs a legal political opposition. But it must be real and not a sham—it must be an opposition which retains its identity and is a factor for change in the country, and not simply for maintenance of the status quo.

9295

**Belated Concessions, Incomplete Changes,
Electoral Law Criticized**

26000647a Poznan WPROST in Polish
No 33, 14 Aug 88 pp 4-6

[Interview with Docent Dr Hab Stanislaw Gebethner, Institute of Political Studies, University of Warsaw, by Piotr Andrzejewski and Krzysztof Golata: "Forcing the Changes"]

[Text]

[Question] Professor, in an interview with the press you said that the latest electoral law is only a small step in the

direction of democratization, and that we would soon find out that a larger step could have been made...

[Answer] I made this statement several months before the election. At a certain point, I stopped being a gradualist. Therefore, I am not satisfied with the policy of small steps, and I lean towards more radical and far-reaching political reforms. We have come to a situation in which the lack of persistence in introducing political reforms over nearly the last 20 years has brought about an acute conflict between the political system and its environment. Resolving this conflict calls for radical changes in political life, because existing political institutions are becoming obstacles to development.

[Question] The authorities maintain that "the process of reform" is underway, but the course of the last election indicates that political changes are too late, and do not cause much social interest.

[Answer] This is true to a great degree. To be sure, it is hard to deny that the current political system is different from the one in the late 1970s, that it is more open. However, in social perceptions, the changes made are either imperceptible or unsatisfactory. The reason is that all changes are incomplete and forced. Any such belated concession, e.g. giving consent to set up the Supreme Administrative Court 25 years later, fails to generate a favorable social response, but simply sets in motion further escalation of expectations and demands. Not one of the political reforms carried out in recent years was an anticipatory reform; all of them were forced concessions...

[Question] Why?

[Answer] I think this goes to prove one of the old and evident truths in the sociology of politics: definite interests always exist, and they play a decisive role.

[Question] Do you mean the interests of various groups of our political establishment?

[Answer] Speaking somewhat euphemistically, I mean, in this instance, the entire state, party and cooperative bureaucracy. These people are used to certain conditions for operations and the requisite privileges. The changes introduced are often inconsistent and incohesive, due to their resistance.

[Question] These changes do not bring about the stabilization of political life. Changing the electoral law in the 1980s for every election is a case in point. We are certainly looking at yet another amendment to it in conjunction with the forthcoming elections to the Sejm.

[Answer] I think that we should not expect any radical changes in this matter. I have no illusions as to that.

[Question] Why the pessimism?

[Answer] Since a more profound democratization at the city and township level was not opted for in the course of elections to the people's councils this year—and this would have been easier from the point of view of the establishment's interest—it is difficult to expect substantial changes in parliamentary elections.

[Question] Do you have your concept of such changes?

[Answer] I think that we could attempt to implement the Hungarian model, though, perhaps, it is too late for it, as well, in our situation.

[Question] What is this model all about?

[Answer] A genuine political struggle based on different programs would proceed in single-seat electoral districts, with a modest at-large ticket maintained. The choice would be from among people who differ not only in personal history, but also in views and concepts. It may be assumed that the authenticity of the elections will be enhanced because of this, which would influence voter turnout.

[Question.] Meanwhile, we are dealing with a paradox in our country: the extent of democracy in the electoral law is growing, though to a small degree, but it is all the same, whereas voter turnout is falling. Four years ago, over 70 percent of the populace went to the ballot box, this year—just over 50 percent...

[Answer] Those elections were more like a plebiscite—in favor or against the process of stabilization. Low turnout this year may be recognized to be an alarming signal of alienation from institutions in the political system and from the ways of their operation. This should be linked to low turnout in the course of the referendum. Research carried out by our institute suggests that for almost one-half of respondents the referendum was something that went "over their heads." Even when people took part in the referendum, they did not attach to this event the significance which was desired. This is why it is difficult to describe those taking part in the referendum as the proponents of the authorities, and those who did not take part in it—supporters of the opposition. For many participants, this was a ritual of sorts. I think that a similar situation occurred during the last elections, and lower voter turnout sort of reduced the gap between ritual and genuine participation.

[Question] Can this decline in voter turnout be a consequence of the phenomenon of decreasing interest in public affairs and politics? It appears that results of polls by the CBOS [Center for Public Opinion Research] support this...

[Answer] Certainly. However, let us pay attention to one thing: as a matter of fact, not one of the resolutions of the 9th and 10th PZPR Congresses and major plenary meetings of the Central Committee on issues of the [political] system has been carried out without delay and in its entirety. We have many beautiful declarations, but little results from them when it is implementation time. At present, no verbal declarations and slogans attract the people anymore.

[Question] For example, "national understanding" has been such a slogan for 8 years...

[Answer] Indeed. At one time, this was supposed to be the coalition: Party—Church—Solidarity. Now they say that the government or the party are to come to an agreement with society... I admit that I do not quite know what "an agreement with society" means. Who would represent society? If the desire is to honestly nominate such a representation, then we are back to the issue of elections again. I still do not see representative spokesmen for this mythical "society," which is opposing the authorities.

[Question] What about the church?

[Answer] The church shuns participation in political life as a matter of policy, and I believe that it has valid reasons to do so.

[Question] Fine, but what would happen if the party lost the majority in the parliament as a result of elections?

[Answer] This is a broader problem: should the leading role of the party be guaranteed by an absolute majority in the Sejm? While there is a corresponding provision in the constitution, its implementation may, after all, assume different forms. In this context, I see a role for the proposed office of the president as a representative of the leading party safeguarding basic fundamentals of the system. I will tell you that I do not believe in any case in the prediction that elections would bring about the loss of a meaningful position in the Sejm by the PZPR. Surveys do not at all confirm this. Indeed, the PZPR may not receive 50 percent in the parliament. However, there are many ruling parties in the world which do not have a majority, but instead use the potential of coalitions...

[Question] Since we are talking about the Sejm—as of late, astounding things have been going on there. I mean the recent non-acceptance of the resignation by Gen. P. Hupalowski from the post of the NIK [Supreme Chamber of Control] chairman. Perhaps, this was the first time something like that has happened in the forum of the Sejm?

[Answer] I believe that this is a very symptomatic signal of the deepening crisis in the operation of the political system. After all, we cannot explain everything by the fact that the PZPR faction was not present at the meeting

in its entirety, due to which fact the non-party member deputies and those of the ZSL [United Peasant Party] and the SD [Democratic Party] made the procedural conditions for accepting the resignation impossible to fulfill. This means that the mechanism of making decisions on appointments is not working properly.

[Question] However, why did they not want to let Gen. Hupalowski go? Was he that good in the position he held up until now?

[Answer] Certainly he was and is a good NIK chairman, though this must not have been the decisive factor.

[Question] Was not the draft of the change agreed upon?

[Answer] There were protests in the commissions.

[Question] What about the Convention of Seniors?

[Answer] The convention represents factions rather than commissions. The ZSL and SD did not support the changes.

[Question] Why?

[Answer] I think that, regardless of whether Gen. Hupalowski was discharging his responsibilities well, the deputies wanted to protest the form of the changes, resembling the tradition of the infamous "merry-go-round of appointments" and to express—there is no sense in hiding it—some mistrust of the candidate for the replacement.

[Question] Professor, to end with, I would like to ask—how do you evaluate the work of the body to which you personally belong, the Team of Sejm Advisors?

[Answer] I must admit that over 2 years of service on the team simply disappointed me. Certainly, this is an experience for me as a scientist working on these very problems. However, I believe that a mistake was made in setting up this body with an enormous membership of 40 to 50 persons. This is a kind of mini-Socio-Economic Council, where scientists dominate, rather than an energetic and efficient group of experts. Results of our work are the second issue. Of course, I do not hold it against the deputies for not following the advice given them. However, it is hard for me to accept the fact that the advice is neglected, or passed over in silence, without any discussion. This is to say nothing about many forecasts on erroneous decisions having come true later. However, our position papers are often simply not delivered to the deputies by the Presidium of the Sejm and chairmen of the commissions, whereas they should be one of the motives for making a decisions.

[Question] What have you recommended to the Sejm or recommended against lately?

[Answer] The last position paper I participated in developing concerned the electoral law. Among other things, we expressed in it the conviction that holding elections in June, after radical price increases, is an erroneous measure. We also suggested to limit the extent of elections only to councils of the basic level... Previously, we warned against the provisions in the law on the referendum which later caused various well-known controversies.

[Question] Do you think that any legal provisions can save us from such discord or yet another crisis altogether?

[Answer] Well, we are simply still considering how to break the current impasse in a complex manner, while avoiding any discussion on the topic of simple means. We get excited about such issues as the second chamber of the Sejm or the office of the president, to say nothing of the new constitution. Meanwhile, there still is no answer to the question of how this system is supposed to function in our pluralistic society. A lot of effort is expended in thinking up still new, and often incohesive, solutions in discussions in the various forums. In all sincerity, all of that brings to mind the famous saying of Harold MacMillan about British liberals: "They have many good and new ideas. The problem is that the new ones are not good, and the good ones are not new." In other words, I believe that we have come to a particularly dangerous impasse. Reformers of various factions, from members of the political establishment to opposition representatives, operate with a package of reform drafts which were good in the late 1970s and early 1980s. Meanwhile, Polish society of the late 1980s is completely different now, and the political system of this society calls for an entirely new and cohesive concept.

9761

Szczecin Free Trade Zone Project: No Answers Yet

26000601 Warsaw *PRAWO I ZYCIE* in Polish
No 33, 13 Aug 88 p 3

[Article by Danuta and Aleksander Wroniszewski: "Free Trade Zone: Rules of the Game"]

[Text] When we wrote about the idea of creating a free trade zone in Szczecin in February 1988, we titled our report "A Zone of Great Hopes." Hopes and not plans or prospects, for the two groups of specialists from Szczecin led by Prof Piotr Zarema and Waldemar Grzywacz, beginning work on the land use and urban planning and on the organizational and economic plans of the zone, at that time had no guarantee that their initiative would find any support among the authorities and would bear any fruit in the form of the appropriate decree by the Council of Ministers.

"The chief will not admit to you how many times he has returned from Warsaw only with 'good advice,'" one of Prof Grzywacz's coworkers leaked to us. "Waldek, stop worrying yourself about this zone." But the professor has been stubborn. The others have, too. And they have gone on.

Not only their internal need to do something important for the country, for the region, but the great interest of Polish and foreign businessmen, directors of enterprises and normal people (as the comical fact that a rock bank in Szczecin calls itself "Free Trade Zone" shows) has mobilized them. This problem appeared among the election proposals in all seriousness. The majority of the people in Szczecin has become used to the thought of creating such a zone and speaks of it in the future tense "When it is created" and not in the subjunctive "If it is created."

"If," however, appeared 16 times in Jozef Kusmierek's materials published in PRZEGLAD TECHNICZNY: "If this article had appeared, for example, in SZPILKI," comments Zbigniew Gracz, deputy director of the Szczecin-Swinoujscie port, "I would have at least known how to treat it." Among the 16 "if's" or the prerequisites for the creation of the zone, editor Kusmierek lists, among other things, making the entire Odra navigable for motorized barges with a displacement of 1,500 tons, agreeing with our allies on the use of the waterway all the way to Split, Warna, etc, constructing ultra-modern hotels, creating a telephone network to make it possible at all hours of the day or night to immediately call Las Vegas, for example. Obviously, if we had all these things, it would be wonderful. And perhaps then we would not dream of a free trade zone.

"But seriously speaking," he concludes, "I have noticed with regret that now it is easiest in Poland to find a reason to do nothing. But there are opportunities, it is only necessary to take advantage of them. To be sure, the Odra is not too navigable, but our barges do somehow reach Basel or Rotterdam. No one has ordered us to stick to the waterways. The Szczecin branch of the North-South controlled-access highway is not going to become a reality in the near future, but we have our East-West highway. It begins outside Goleniow and it is possible to go to Munich, Vienna, Paris, Nice, though not without obstacles.

"I am glad that the Polish Airlines are interested in cooperation with the free trade zone. Recently representatives of LOT were in Szczecin. They, for example, see ways to alter the domestic airport in Goleniow into an international airport. This will be all the easier because it was originally built too large."

Ryszard Karger, president of Polish Shipping, thinks that primarily it is necessary to solve the problem of communications within the zone itself. Then it will be time for telephones, telexes, data transmission, and satellite communications connecting the free trade zone

with the whole world. As part of initial expansion of the infrastructure, buildings should be built to house the greatest variety of offices, money markets, offices for world banks and world insurance agencies, then hotels, and housing. Who would do this? Foreign partners, for example. The question is only to agree on the appropriate conditions. Surely there will also be some domestic enterprises, too. Recently Dromex, a firm known and valued not only in Poland, expressed a desire to work for the zone. They are willing to build a modern hotel in Szczecin, on the condition that they become its co-owner.

Zbigniew Gracz and Ryszard Karger admit that journalists generally have approved of the idea of a free trade zone; at times they have even applauded, suggesting various solutions. At times with excessive zeal, but with good intentions, they have told their readers about facts that were still in the realm of desires or intentions. In June, for example, when announcements appeared about the creation of a free trade zone during the first half of July, specialists in Szczecin were only preparing a proposed decree.

"This shows," explains one of my journalist colleagues, "that the matter of creating a zone is dragging; more precisely, the rate at which it is being handled in the ministerial offices does not match social expectations. Surely, from time to time, an important group meets, but the fact that opinions are exchanged does not move anything ahead. One could also get the impression that some ministerial bureaucrats are more concerned that their ministries or their departments not be dissolved than they are to prepare, for example, the charter of the future free trade area. Meanwhile, each day of delay means the loss of money we did not earn. Perhaps we have already passed the moment when large capital began to withdraw from the too dangerous Persian Gulf. If things continue as they have gone so far, Riga, which is also dreaming of a free trade zone, will get ahead of us."

Representatives of the Szczecin zone are not worried for the time being with this rate of movement, although their entire moral support consists of a letter from Wladyslaw Gwiazda, the minister for foreign economic cooperation, written in a warm, personal tone, approving of their undertaking.

Jan Stopyra, plenipotentiary of the Szczecin voivod for the free trade zone, does not fear competition for Szczecin. Two months ago he was still working in the Polish consulate in Warna, so he knows that, although the Bulgarian free trade zones have been discussed out loud, they will not be created any faster than in Poland. "Our advantage in comparison with Riga," he argues, "is our huge territorial possibilities. We have a large amount of free space to use in Szczecin and Swinoujscie, but there

is also space in the gminas of Stargard and Stepnica. Szczecin is well located at the crossroads of European roads north-south and east-west, and the infrastructure is fairly well developed.

"But this does not determine the competitiveness of our city," he adds. "The conditions we offer foreign and domestic partners will be decisive.

"They are particularly associated with the need to precisely define the legal and economic status of the free trade area by the Council of Ministers and the several interested ministries: foreign economic cooperation, finance, labor and social policy. Proposals for some of the documents have already been developed, on the one hand, by specialists in Szczecin and, on the other, by specialists in Warsaw. Comparison of the two will make it possible to develop the optimal provisions."

One thing is obvious to everyone now: all the legal and financial mechanisms should be real and stable. So that Mr Mueller, Brandt, or Karlsson are sure that the rules of the game adopted will not change for at least twenty years. The designers see things this way: within the zone all economic units, state, cooperative, private, and foreign, have the same rights. The position of each is determined only by the quantity of stock purchased and the range of activities conducted. Polish stockholders will be able to purchase stock for zloty; foreign ones, exclusively for convertible-currency. Payments of dividends will be handled in the same way. On the other hand, accounts within the zone will be only in convertible-currency.

The tax rule should also be sufficiently attractive. It must pay a foreign partner better to locate his capital in Poland than with our competitors. Thus, the most varied exemptions and temporary exemptions from turnover and income taxes are needed. There also cannot be any obstacles to moving capital and profits into or out of the country.

Some doubt that this will please the financial bureaucrats, who are not used to money escaping their hands.

Jan Stopyra thinks that misunderstanding begins when one mentions exemptions: "The state treasury will not put one zloty into the free trade zone," he says. "We are not taking any credits. On what are we supposed to get these exemptions? We in any case do not want any. We do want to collect money 'lying in the streets' and share it with the state which permits us to conduct these activities."

In support of this thesis, both Jan Stopyra and Ryszard Karger cite the example of China. Throughout China there is a 30-percent turnover tax, but in the free trade zones, it is 15 percent. Those zones are treated not as props, as tourist attractions, or as places where a couple

of characters want to get rich quickly and easily, but as a gate through which foreign capital flows into the country, anchors permanently, and bears good fruit for both sides.

Nevertheless, the Chinese recently appeared in Szczecin and showed clear interest in the Polish proposals for provisions for such a zone. They themselves are planning to expand their current zones; they want to attract much more foreign capital to the island of Hajnan and to give it favorable terms.

In Poland the fear of Western, especially German, capital is still quite strong in some circles. On the one hand, there is a desire to cite tested principles; on the other, references to the old slogan—"our streets, their buildings"—although in a different context.

"These reservations are a pyramid full of idiocies," president Karger says, reacting all the more strongly because it is not the first time he has encountered them. "The partnership will not sell anyone either land or buildings. It will only lease them. How could it be otherwise, since we ourselves will not be owners, but only lessees of the gmina, city, or plant lands. The free trade zone will still be an integral part of Poland; it will only be treated as foreign territory for economic purposes. A tariff barrier will separate it, which will stimulate the growth of our exports. We will sell the foreign firms operating within the zone gas, electricity, and various municipal services; Baltona or Polmos will be able to expand their activities there (although there are already others interested in breaking their monopolies); there will also be normal trade with Polish enterprises outside of the zone, who are interested in producing for its needs.

"The free trade zone obviously will need many qualified workers, technicians, and engineers. Instead of taking foreign contracts through Polservis and slaving in the sands of Libya or Iraq, perhaps more than one Pole will decide to work in the zone? Perhaps it will also be an alternative to going to the United States, Canada or the FRG to earn money? Especially if they received a portion of their wages in dollar coupons.

"During the construction of the border crossing in Cieszyn, a precedent was set in Poland. Various firms said they could finish the investment in eight years. Dromex beat everyone, declaring a 3-year cycle. The price, however, was paying the workers a portion of their wages in Polish Security Bank dollar coupons."

There are many things and problems to be solved yet, but they do not depend on the specialists in Szczecin. At this stage they say, their role in the conceptual preparations for the undertaking has practically finished. They have even developed their own proposed decree for the Council of Ministers creating the free trade zone. Now it is the central administration's turn. But this does not mean, however, that they are waiting with their arms folded for a decisions from above.

Recently the Szczecin-Swinoujscie Free Trade Zone, Inc., was formed. Its founding members are two other partnerships, the Polish Shipping Company and C. Hartwig, and the port and the voivod. In January the president of Szczecin was a certain candidate. Ryszard Rolkiewicz saw an opportunity here for the city which should exist not only for the port but primarily from the port as is the case nearly all over the world, not just in Poland. But since the land on which the zone will be located lies in several gminas and cities, and since the authority of the voivodship office is much greater than the president's (some claim outright that only thanks to this decision did the creation of the zone get off square one), this change was adopted. Also beginning 1 January 1989, the law on municipal property goes into effect and what is leased to whom, where, and for how much will be decided by the people's councils. Perhaps then the pact will change again.

In any case, the legal units making up the partnership are quite varied, making adjusting them to one another more complicated. But it is extremely important. They are fitting the suit that they will have to wear for many years, and it must be very comfortable.

They have agreed on a couple of essential issues. The partners will only make a financial contribution to the partnership, and the port will simply sell the zone its services. Entrance to the pool will begin 15 July. The business will begin with 100 million zloty earmarked for, among other things, various expert studies, court costs for registering the partnership, etc. They have also decided the percentage division of the stock: the port, 25 percent, the others, 16 percent each. This is a just disproportion, they say, for initially the entire operations of the zone will be concentrated in the port.

In the future, obviously, other partners will be able to join the partnership, but the founding members want to maintain their privileged position. Initially, however, they are issuing stock with a nominal value of 2 billion zloty in order to collect start-up capital for, among other things, conducting the most essential infrastructure work. They will be sold not according to the nominal value, but according to the principle "who will pay the most," at the market.

This summer they plan to select a Temporary Board for the partnership (for the time being, an informal one), which in anticipation of a decree from the Council of Ministers will conduct the preparatory work for future activities.

For now the Ministry for Foreign Economic Cooperation can tell us nothing specific about the prospects for the Szczecin undertaking. They are not even sure if they have received the proposed charter for the Szczecin-Swinoujscie Free Trade Zone, Inc., from them. Perhaps the heat is responsible for this.

Party Activities Calendar 20 June-3 July 1988
26000623a Warsaw ZYCIE PARTII in Polish
No 14, 13 Jul 88 p 23

[Report: "Party Chronicle: 20 June-3 July 1988"]

[Text]

Meetings of the Politburo of the Central Committee

21 June

The Politburo at a meeting he'd outside of Warsaw at the Mera-Blonie Mechanical and Precision Plant discussed problems associated with economic cooperation with the USSR.

During a break in the deliberations, the plant's guests lead by Wojciech Jaruzelski toured the particular sections of the enterprise.

28 June

The Politburo discussed the course of the campaign for, and the results of the elections to, the people's councils. It heard proposals for changes in the social policy of the state, approved and praised the agreement adopted during the talks between Wojciech Jaruzelski and Erich Honecker in Wroclaw, and heard a report on the course and the results of the visit of Premier Zbigniew Messner in the PRC.

The Politburo emphasized the great significance of the deliberations of the 19th All-Union CPSU Conference for the implementation of the line of the 27th congress of the party of Lenin.

The Politburo conveyed its greetings and best wishes for fruitful deliberations to the conference delegates in the name of the PZPR.

Conferences and Meetings

20 June

Wojciech Jaruzelski, first secretary of the Central Committee, received Gyoergy Biczó, ambassador of the Hungarian People's Republic. The ambassador gave Wojciech Jaruzelski a letter from Janos Kadar, the chairman of the MSZMP.

On the occasion of the 45th anniversary of ZOLNIERZ WOLNOSCI, members of the Politburo—Gen Division Florian Siwicki, minister of national defense, and Gen Arms Jozef Baryla, accompanied by Gen Division Tadeusz Szacilo, head of the Main Political Directorate—visited the editorial offices of the daily newspaper of the Polish Army.

In Warsaw, the annual awards of the chairman of the Committee for Radio and Television for artistic works for radio and television were handed out. The winners

were congratulated by Mieczyslaw F. Rakowski, member of the Politburo and secretary of the Central Committee. Among others, Andrzej Wasilewski, secretary of the Central Committee, and Slawomir Tabkowski, head of the Propaganda Section of the Central Committee, participated in the ceremonies.

At the Main Quarters of the Polish Scouting Union, the inaugural meeting of the Polish Festival Committee for Phenian 89 was held. The Committee will prepare the participation of Polish youth in the Third Festival of Youth and Students, which will be held from 1 to 8 July 1989 in the capital of the DPRK.

Ernest Kucza and Stanislaw Gabrielski, heads of sections of the Central Committee, participated in the deliberations.

22 June

A meeting of the General Assembly and Supervisory Council of the "Prasa-Ksiazka-Ruch" Workers' Cooperative Publishing House was held. In conjunction with the new division of labor in the Secretariat of the Central Committee, the General Assembly made changes in the position of the chairman of the Supervisory Council. The new chairman is Mieczyslaw F. Rakowski, member of the Politburo and secretary of the Central Committee. The previous chairman, Jan Glowczyk, member of the Politburo and secretary of the Central Committee, was thanked for his six years of service in directing the Council.

Among others, Mieczyslaw F. Rakowski, member of the Politburo and secretary of the Central Committee, and Slawomir Tabkowski, head of the Propaganda Section of the Central Committee, participated in the ceremonies.

23 June

Jozef Czyrek, member of the Politburo and secretary of the Central Committee, received a delegation from the People's National Congress of Guiana, lead by the Ranji Chandinisingh, secretary general of the party, vice president, and deputy premier.

Ernest Kucza, head of the Foreign Section of the Central Committee, participated in the talks.

The Ideological Commission of the Central Committee under Marian Orzechowski, member of the Politburo and secretary of the Central Committee, discussed the essence of pluralism and of the new contents of the national understanding.

At the PZPR Central Committee, there was a meeting of the lecturers with Jozef Czyrek, member of the Politburo and secretary of the Central Committee; they discussed problems covered during the seventh plenum of the Central Committee.

24 June

Wojciech Jaruzelski and Erich Honecker, the leaders of Poland and the GDR, went to Wroclaw for a friendship meeting of the youth from Poland and the GDR. W. Jaruzelski and E. Honecker signed an agreement on the cause of friendship between the youth of Poland and the GDR.

25 June

At the editorial offices of TRYBUNA LUDU, there was a meeting of the winners of foreign awards from this newspaper with Wojciech Jaruzelski, first secretary of the Central Committee. Mieczyslaw F. Rakowski, member of the Politburo and secretary of the Central Committee, Janusz Kubasiewicz, candidate member of the Politburo and first secretary of the Warsaw Committee, and Wieslaw Rydygier, president of the "Prasa-Ksiazka-Ruch" Workers' Cooperative Publishing House, also came to the meeting, which was opened by the Jerzy Majka, editor-in-chief TRYBUNA LUDU.

27 June

Wojciech Jaruzelski, first secretary of the Central Committee, received Ranji Chandinisingh, secretary general of the People's National Congress and vice president and deputy premier of Guiana.

Jozef Czyrek, member of the Politburo and secretary of the Central Committee, participated in the talks.

Gen Army Wojciech Jaruzelski, first secretary of the Central Committee and chairman of the Council of State received, in the presence of Gen Army Florian Siwicki, minister of national defense, and Gen Arms Jozef Baryla, member of the Politburo, Soviet Marshal Viktor Kulikov, commander-in-chief of the Combined Military Forces of the Member States of the Warsaw Pact, and Gen Army Anatoliy Gribkov, chief of staff of the Combined Military Forces.

The International Commission of the Central Committee discussed the development of Polish-Soviet cooperation and friendship. Jozef Czyrek, member of the Politburo and secretary of the Central Committee, presided over the deliberations.

30 June

Wojciech Jaruzelski, first secretary of the Central Committee and chairman of the Council of State, received Alfred Miodowicz, chairman of the OPZZ. They discussed the situation of the working people against the background of the implementation of the price and income policy and of the economic performance for the first half of the year.

There was a conference of the secretaries of the voivodship committees supervising party work in education and higher education. They discussed tasks in national

education deriving from the decisions of the seventh plenum of the Central Committee. Marian Orzechowski, member of the Politburo and secretary of the Central Committee, presided over the conference.

In the Offices and Organizations

22 June

The Sieradz Voivodship Committee discussed the tasks in developing personnel policy.

27 June

At the Inter-Voivodship Party School in Bialystok, the annual conference of the leadership personnel of the inter-voivodship and voivodship party schools was held. Janusz Zemke, deputy head of the Political and Organizational Section of the Central Committee, presided over the deliberations.

29 June

Jozef Baryla, member of the Politburo, visited the B. Bierut Steelworks in Czestochowa, familiarizing himself with the working and living conditions of the employees and with the implementation of the second stage of the economic reform.

30 June

Jozef Czyrek, member of the Politburo and secretary of the Central Committee, toured the Welux plants and the Compact Car Factory in Bielsko Biala. Jozef Czyrek also met with the party and economic activ of the works.

1 July

Wladyslaw Baka, member of the Politburo and secretary of the Central Committee, visited the employees of Chemar in Kielce. During talks with the aktiv, he discussed problems associated with the implementation of the second stage of the economic reform.

At the Central Committee building, there was a working conference to discuss the new directions in personnel policy deriving from the provisions of the seventh plenum of the Central Committee. Jerzy Swiderski, head of the Personnel Policy Section, presided over the deliberations.

2 July

The Bialystok Voivodship Committee evaluated the effectiveness of the forms and methods of work by the Bialystok city party offices. Janusz Zemke, deputy head of the Political and Organizational Section of the Central Committee, participated in the deliberations.

Wladyslaw Baka, member of the Politburo and secretary of the Central Committee, met with representatives of the workers' self-management at the Swaradz Furniture Factory.

Interparty Cooperation

22 June

A delegation of the Central Committee of the Communist Party of Vietnam lead by Nguyen Quang Tao, deputy head of the Foreign Section, visited Poland. The guests were received by Ernest Kucza, head of the Foreign Section of the PZPR Central Committee.

At the Polish embassy in Moscow, there was a ceremonial closing of the party training year. Jerzy Swiderski, head of the Personnel Policy Section of the Central Committee, spoke at the meeting and discussed the results of the seventh plenum of the PZPR Central Committee.

23 June

A delegation of the Central Review Commission of the SED lead by Karl-Heinz Lorber, deputy chairman of the Commission, visited Poland. The delegation was received by the leadership of the Central Control and Review Commission and its chairman Wlodzimierz Mokrzyszczak.

20-24 June

Prof Wladyslaw Baka, member of the Politburo, secretary of the Central Committee, and president of the National Bank of Poland, visited Italy. W. Baka conducted talks with Renato Ruggiero, the Italian minister of foreign trade, and met with Gian Carlo Pajetta, a member of the leadership of the Italian Communist Party.

24 June

At the Polish embassy in Moscow, a plenum of the PZPR Party Committee in the USSR was held. It discussed the state of the implementation of the Polish-Soviet declaration on cooperation in ideology, science, and culture. Jerzy Swiderski, head of the Personnel Policy Section of the Central Committee, and Ambassador Wlodzimierz Natorf, both members of the Central Committee, participated in the deliberations.

In conjunction with the return to Poland of the current secretary of the PZPR Party Committee in the USSR, Jerzy Szukala, Ryszard Czerwinski, currently deputy head of the Political and Organizational Section of the Central Committee, was elected to this position.

30 June

A delegation of the CPC Central Committee lead by Li Zhengting, deputy chairman of the Central Discipline Inspection Commission, visited Poland. Włodzimierz Mokrzyński, chairman of the Central Control and Review Commission, received the delegation.

1 July

Mieczysław F. Rakowski, member of the Politburo and secretary of the Central Committee, concluded his visit to France, where he held talks with representatives of all of the leading political groups in Paris.

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Party Activities Calendar 4-17 July 1988
26000623b Warsaw ZYCIE PARTII in Polish
No 115, 27 Jul 88 p 23

[Report: "Party Chronicle: 4-17 July 1988"]

[Text]

Meetings of the Politburo of the Central Committee

5 July

Members of the Politburo and the Secretariat of the Central Committee visited plants and institutions and took an interest in the problems annoying the employees and the practical implementation of the mechanisms of the second stage of the economic reform.

Józef Czyrek visited the editorial offices of RZECZPOSPOLITA.

Jan Glowczyk visited the Paris Commune Shipyards and the Gdansk University.

Zygmunt Muranski visited Stomil in Woibrom.

Marian Orzechowski visited Fonica in Lodz and met with the ideological aktiv.

Mieczysław F. Rakowski visited the invalid cooperatives and farmers and young people in the Biała Podlaska Voivodship.

Zofia Stepien visited Lentex in Lubliniec.

Stanisław Ciosek met with the aktiv of the Lublin region and visited the Automobile Repair Plant.

Janusz Kubasiewicz visited the Industrial Institute for Construction Machinery in Kobylka.

Gabriela Rembisz visited the Chifra Surgical Equipment Factory.

Conferences and Meetings

6 July

Mieczysław F. Rakowski, member of the Politburo and secretary of the Central Committee, met with journalists of KOMSOMOLSKAYA PRAVDA, who had come to Warsaw for the Komsomolskaya Pravda Days. M.F. Rakowski answered many questions posed by the guests.

7 July

Mieczysław F. Rakowski, member of the Politburo and secretary of the Central Committee, participated in the opening of the press center in conjunction with the visit of Mikhail Gorbachev, secretary general of the CPSU Central Committee, to Poland. The secretary of the Central Committee also answered journalists' questions.

8 July

There was a meeting of the leadership of the Personnel Policy Section of the Central Committee with the directors of the departments of personnel and training of the ministries and central offices and with the cooperative unions to discuss the methods and ways of implementing the tasks deriving from the provisions of the seventh plenum of the Central Committee affecting personnel policy.

14 July

Józef Czyrek and Mieczysław F. Rakowski, members of the Politburo and secretaries of the Central Committee, met with a group of Soviet journalists who described the course of the official visit of friendship by Mikhail Gorbachev in Poland.

15 July

A ceremony on the occasion of Poland's Independence Day was held at the Polish Press Agency. During it, state medals, awards, and the PAP president's prize were given.

Mieczysław F. Rakowski, member of the Politburo and secretary of the Central Committee, and Minister Michał Janiszewski, head of the office of the Council of Ministers, participated in the ceremony. Sławomir Tabkowski, head of the Propaganda Section of the Central Committee, was present.

In the Offices and Organizations

6 July

Włodzimierz Mokrzyński, chairman of the Central Control and Review Commission, visited the Olsztyn Poultry Plant. The tasks deriving from the resolution of the seventh plenum of the Central Committee were discussed.

Andrzej Wasilewski, secretary of the Central Committee, visited the Gdansk House in Wegrow, where he met with activists and workers for regional culture.

7 July

Jozef Czyrek, member of the Politburo and secretary of the Central Committee, met with representatives of the opinion-forming groups in Krakow. They discussed political pluralism and the idea of an anti-crisis pact.

Marian Orzechowski, member of the Politburo and secretary of the Central Committee, met with the employees of the Polish State Railways Locomotive Center in Legnica and with the party aktiv of the Railways Station. M. Orzechowski participated in a meeting of the basic party organization at the Lubin Mining Plants.

The Chelm Voivodship Committee discussed the tasks of the voivodship party organization in implementing the resolution of the seventh plenum of the Central Committee.

The Lodz Committee judged the course of the election campaign for the people's councils and the results of the voting in the Lodz agglomeration.

9 July

The Olsztyn Voivodship Committee discussed the ideological and educational tasks of the party offices and voivodship organization.

Interparty Cooperation

5 July

A delegation of the Political and Organizational Section of the PZPR Central Committee, lead by Stanislaw Gabrielski, visited Cuba. Jose Ramon Machade Ventura, member of the Politburo and secretary of the Central Committee of the Communist Party of Cuba, received the delegation at the end of its visit.

5-7 July

In Prague, the 44th session of the CEMA met. Premier Zbigniew Messner, member of the Politburo, lead the Polish delegation, and Wladyslaw Baka, member of the Politburo and secretary of the Central Committee, participated in it.

11-14 July

Mikhail Gorbachev, secretary general of the CPSU Central Committee, and his wife Raisa paid an official visit to Poland. During the visit in addition to official talks, he made an appearance at the Sejm, visited the Lenin Museum in Poronin, met with young people at Wawel Castle in Krakow, toured Szczecin, met with the aktiv of the employees of the Warski Shipyards, and met with the

cultural and intellectualist activists at the King's Castle in Warsaw. At the end of the visit, Wojciech Jaruzelski, first secretary of the PZPR Central Committee, and Mikhail Gorbachev, secretary general of the CPSU Central Committee signed a "Joint Polish-Soviet Declaration."

A group of outstanding Soviet scientists, artists, and creators visited Poland. The Soviet guests participated in a meeting of the Polish scholarly and creative groups with Mikhail Gorbachev, secretary general of the CPSU Central Committee, at the King's Castle in Warsaw. The Soviet intellectuals and creators were received at the PZPR Central Committee building by Marian Orzechowski, member of the Politburo and secretary of the Central Committee, and Andrzej Wasilewski, secretary of the Central Committee.

15-16 July

At the Palace of the Council of Ministers, the Political Advisory Committee of the Member States of the Warsaw Pact met. A joint "Communique on the Conference of the Political Advisory Committee of the Member States of the Warsaw Pact" and a Declaration of the Member States of the Warsaw Pact on the talks on reduction of military forces and conventional armaments in Europe was adopted.

16 July

After the end of the deliberations of the Political Advisory Committee of the Member States of the Warsaw Pact, there was a meeting in which the following participated:

Todor Zhivkov, secretary general of the BCP Central Committee and chairman of the Council of State of the Bulgarian People's Republic; Milosz Jakesz, secretary general of the CPCZ Central Committee; Erich Honnecker, secretary general of the SED Central Committee and chairman of the Council of State of the GDR; Nicolae Ceausescu, secretary general of the RCP and president of the Romanian Socialist Republic; Karoly Grosz, secretary general of the MSZMP Central Committee and chairman of the Council of Ministers of the Hungarian People's Republic; Mikhail Gorbachev, secretary general of the CPSU Central Committee; and Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the Council of State of the Polish People's Republic.

During the meeting information was exchanged on the main directions for action by the fraternal parties, and the key problems for further tightening of cooperation among the states of the socialist community were discussed.

There was a meeting between Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the Council of State of the Polish People's Republic,

and Karoly Grosz, secretary general of the MSZMP Central Committee and chairman of the Council of Ministers of the Hungarian People's Republic.

Wojciech Jaruzelski and Karoly Grosz informed each other mutually about the course of the processes of reforming social and economic life in the two states and exchanged views on the main problems in the international situation.

There was a meeting of J. Czyrek, member of the Politburo and secretary of the PZPR Central Committee, and V.A. Medvedev, secretary of the CPSU Central Committee, during which they discussed the recommendations deriving from the visit of M.S. Gorbachev, secretary general of the CPSU Central Committee, for the cooperation between the two parties. They agreed on taking concrete steps to implement the recommendations.

Jozef Czyrek, member of the Politburo and secretary of the PZPR Central Committee, received Matyas Szuros, secretary of the MSZMP Central Committee.

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PZPR Voivodship Plenums Reported

Bialystok: Worker Numbers Decrease

26000611 Warsaw TRYBUNA LUDU in Polish
4 Jul 88 p 2

[Article by Alicja Zagorska: "PZPR Voivodship Plenum in Bialystok: In Search of the Morally Sensitive"]

[Text] The topic of the Bialystok PZPR Voivodship Committee plenum on Saturday was a novelty for the Committee's deliberations. For the first time at a party forum, the participants made a collegial evaluation of the forms and methods of the work of city party offices.

What is the condition of the largest party organization in the voivodship? The statistics are as follows: 14,455 members and candidates, or 41 percent of the membership of the voivodship organization; the degree of the partyness of the adult population is 8 percent (nationally it is 8.1 percent, in the voivodship, 7.4 percent). The declining number of workers in the party, however, is disturbing; it has reached its lowest level in the history of the organization (26.2 percent).

Jadwiga Patejuk-Rudzinska, in her critical analysis of the work of the Bialystok basic party organizations, said that many of these organizations still consider the only measure of party activity to be attendance at meetings. The cause of the decline in the authority of party members in their social groups should be sought in their views and attitudes, which externally are different from the party line.

Henryk Gotowicki, director of the Sierzana plants where several candidates have recently joined the party organization, quoted the words that proposals to join the party encounter: "Why take on double responsibilities and, in the case of failure, be charged double."

During the remainder of the meeting, Tadeusz Trzaskowski, secretary of the PZPR Voivodship Committee, who presided over the meeting, informed the participants about the course of the election campaign.

Janusz Zemke, deputy head of the Political and Organizational Section of the PZPR Central Committee, participated in the plenum.

Chelm: Wage Concessions Criticized

26000611 Warsaw TRYBUNA LUDU in Polish
8 Jul 88 p 2

[Article by Witold Grabos: "Chelm: Who Is Implementing the Reform?"]

[Text] "Society judges progress in the economy by what it can buy in the stores, how it is served and dealt with in the offices and institutions. It is far from feeling good; half measures no longer suffice, and the entire economy loses through them." This statement is a fragment of the speech given by Stanislaw Adamik, secretary of the PZPR Chelm Voivodship Committee during its plenum on 7 July. The chief topic was the tasks of the voivodship party organization in implementing the resolutions of the seventh plenum of the PZPR Central Committee.

The members of the voivodship committee said that the effects of the implementation of the new motivational system of wages and better work organization are becoming visible. The tasks contained in the voivodship plan have been exceeded by 5 percent.

But there is no lack of enterprises in the voivodship that the reform has not reached, in which, for example, the Leather Goods and Services Work Cooperative in Chelm, wages have risen by more than 60 percent while production has fallen.

Jan Okon, director of the voivodship office of the National Bank of Poland, drew attention to the threat of worsening inflation, wage increases not matched by productivity increases, and the inefficiency of the economy. The inflationary gap in the voivodship for the first five months of 1988 was 4.2 billion zloty. This sum equals the value of the sales of all the retail trade outlets in the voivodship for one month. The economic efficiency of many plants is low. Of 63 units in the Chelm voivodship with loans from the National Bank of Poland, only 6 are constantly creditworthy.

"Women at the Chelm Shoe Factory have not seen the reform," said Halina Loza. "We have difficulties with the timeliness of shipments, and the personnel has exhausted all the possibilities for changing this situation."

"We must take the reform to the workers; the party and administration cannot introduce it," added Jozef Szyszkowski, an employee of the Chelm Shoe Factory and member of the Central Control and Review Commission. "Meanwhile, the workers know little about the reform; someone must talk to them, explain what is involved."

The new personnel policy is unusually important in the economic transformations. As was stated, it has gone far beyond the party offices, but the process of socializing personnel decisions is progressing too slowly.

The plenum participants supported further reduction of the list of positions requiring party recommendations and acceptance, political protection for courageous people with initiative.

Stefan Lyczak, first secretary of the PZPR Voivodship Committee, presided over the deliberations.

Lodz: Election Results, Implications

26000611 Warsaw TRYBUNA LUDU in Polish
8 Jul 88 p 2

[Article by Jan Kraszewski: "Lodz: More Action, Less Talk"]

[Text] With these words, Wacław Bierkowski, the newly elected chairman of the Lodz-Widzew People's Council, ended his comment during the discussion, which he directed primarily to himself and the remaining members of the council. New opportunities require a new view of our work. It must be such that people feel that someone is concerned about them.

His was one of the best received statements during the plenum of the PZPR Lodz Committee in Lodz on 7 August 1988, which was devoted to an evaluation of the course of the election campaign to the people's councils and the results of the voting in the Lodz Voivodship.

Grzegorz Misiewicz, secretary of the Lodz Committee, announced in his report that 51.6 percent of those eligible voted for a list to the Lodz People's Council. In 34 of the 54 election districts, the turnout did not exceed 50 percent of the electorate. The causes of this situation and the great variation in turnout in the various regions of the voivodship have been studied. One of them was the shortness of the campaign and the old, bureaucratic habits in the nomination and consultation of candidates for the councils.

Grzegorz Pagowski from the Poleska district stated that the times of 90 percent turnout have passed and saw the causes of not voting in the poor function of the municipal services, health services, trade, and transit. "Not opposition attitudes but living conditions were the cause."

Adam Koziol told a reporter for TRYBUNA LUDU that to complete the analysis of the election it would be necessary to trace how much effect the candidates' method of presenting the election program had on the election. The lesson for the future is that the candidates should reach their voters and not the reverse.

During the second portion of the plenum, organizational issues were studied. The Plenum filled out the Lodz committee Secretariat, electing Elzbieta Wojcikowska-Ociepa.

Jozef Niewiadomski, first secretary of the Lodz Committee, presided over the deliberations.

Gdansk: Elections, New Chairman

26000611 Warsaw TRYBUNA LUDU in Polish
9-10 Jul 88 p 3

[Article by Zbigniew Wrobel: "PZPR Gdansk Voivodship Committee Plenum: Conclusions From the Election Campaign to the Councils; Marek Holdakowski, First Secretary of the Voivodship Committee"]

[Text] The course of the campaign and the results of the elections to the people's councils in the Gdansk Voivodship, where the average turnout was 40.7 percent of those eligible to vote, show that social awareness in the region is quite varied. It is subject to the influence of various ideologies, political doctrines, and systems of values, the participants said during the discussion at the plenum of the PZPR Gdansk Voivodship Committee.

Judging the campaign and the results of the election to the peoples councils politically and discussing the tasks of the voivodship party organization of the implementation of the resolutions of the seventh plenum of the PZPR Central Committee, those who spoke did not avoid critical analysis of the actions of particular party units, from the basic party organizations to the Voivodship Committee, during the period leading up to the election.

During the discussion, it was said that the election campaign shows that it is necessary, more aggressively and in more varied ways, to shape a more modern political, legal, and economic culture reflecting the modern conditions and requirements among the residents of the Coast. All the units of the PZPR, of the allied parties, organizations and associations, operating in PRON and outside of it, must perform this work.

The discussants also said that it is also essential to continue the process of broadening the governing base in the region. The recommendations from the discussion and the resolution of the seventh plenum of the PZPR Central Committee create the appropriate conditions for this effort. The Gdansk party organization must prepare its members and, through them, the society of the region, to rationally solve the needed changes in the economic structure of the coast revealed during the last few years and the opposition to this process from the contrary interests of various groups of workers, cliques, and entire branches of industry. The party organizations and offices in the Gdansk Voivodship, in the interest of the region, of the country, of the economy reform, of all of society, cannot support poor workers, regardless of their occupation, position, or titles, protect inefficient performance by enterprises and their management personnel. The recommendations from the discussion were added to the plenum resolution.

During the portion of the meeting on organizational issues, Stanislaw Bejger, in conjunction with his intent to move to other work asked the plenum to accept his resignation from the position of first secretary of the PZPR Gdansk Voivodship Committee and member of the Executive of the Voivodship Committee. In accord with the party charter, the plenum participants accepted the resignation in open voting.

Jan Glowczyk, member of the Politburo and secretary of the PZPR Central Committee thanked Stanislaw Bejger for his more than six years of leadership of the Gdansk voivodship party organization and his active work in the central party authorities and in the socio-political units of the Gdansk region in the name of Wojciech Jaruzelski, first secretary of the PZPR Central Committee and in the name of the Politburo. Next, he emphasized that the change is being made as a result of the natural rotation of the leadership personnel of the PZPR and in accord with the charter and policy of the party; Glowczyk recommended with the blessing of the Politburo Zygmunt Czarzasty, first secretary of the Slupsk PZPR Voivodship Committee, and Marek Holdakowski, head of the Socio-Economic Policy Section of the PZPR Central Committee. In a secret ballot, in which 95 members of the PZPR Voivodship Committee participated, Zygmunt Czarzasty received 33 votes. Marek Holdakowski, 52 votes. Both candidates were crossed off on 10 cards. In accord with the charter, the members of the Gdansk PZPR Voivodship Committee elected Marek Holdakowski to the position of first secretary by a majority vote.

Jerzy Swiderski, head of the Personnel Policy Section of the PZPR Central Committee also participated in the plenum deliberations.

The election of the first secretary of the Gdansk PZPR voivodship organization were the next step in the development of internal party democracy. The Politburo several days earlier proposed two equal candidates in

terms of intellect, organizational talents, and experience in party, economic, and social activities to the members of the Voivodship Committee prior to their making an important personnel and political decision. The residents of the Coast were informed about the candidates for the position of first secretary of the Gdansk Voivodship Committee on the day before the plenum by the local press.

"Both party members stood for the election to the leadership of the Gdansk Voivodship Committee aware that not being elected is not a personal defeat, but the conferring of an important political function to the first of the best," Mieczyslaw Chabowski, organizational secretary of the PZPR Gdansk Voivodship Committee, told a correspond for TRYBUNA LUDU in Gdansk.

The Executive of the PZPR Slupsk Voivodship Committee agreed to the candidacy of Z. Czarzasty. The elections during the plenum with the personal participation of both was preceded by a broad consultation with the members of the Gdansk Voivodship Committee and with the members of the PZPR Central Committee, and the Central Control and Review Commission from our regions, with the secretaries and the Executive of the Voivodship Committee. Jan Glowczyk participated in all of these meetings. The meetings were not prepared ones that accepted all of the candidacies presented. The discussion was mostly frank and quite critical about party issues. The discussants, during the consultation, did not hide their many doubts.

They said, for example, that the social, economic, and political situation in Gdansk is unusual and complex. A number of problems have occurred in it for years whose resolution requires good knowledge of the local society and economy. These can only be understood by someone who knows them and their socio-political background. A candidate from outside, which both were, will lose much time on acquainting himself with the problems of the voivodship at the expense of effective action.

The participants said that since the Politburo had high regard for the operations of the voivodship party organization it is incomprehensible why it did not recommend a local candidate for first secretary of the voivodship committee. The names of local party activists were given as examples. Both candidates were examined for their knowledge about the Coast, points of view on ways to resolve the many oceanside problems. They were asked about their motives in seeking the position of first secretary in Gdansk.

As a result of the many hours of frank open talks the doubts dissolved, and the participants in consultation expressed their approval for the decision of the Politburo, for the presentation of two candidates for selection of the first secretary of the Voivodship Committee.

For all of us, this was an excellent lesson in democracy. The members of the Voivodship Committee made the final decision during secret balloting during the plenum.

Olsztyn: Ideological Training, Culture
26000611 Warsaw TRYBUNA LUDU in Polish
11 Jul 88 p 2

[Article by Feliks Walichnowski: "Plenum of the PZPR Olsztyn Voivodship Committee: Concern for Culture for the Working People"]

[Text] The ideological and educational tasks of the PZPR offices and cultural organizations in the light of party organizations were the subject of the last plenum of the PZPR Olsztyn Voivodship Committee.

"We are for further strengthening and broadening support for a rich amateur artistic movement in our voivodship in plants, cooperative, institutions, and socio-occupational organizations," said Leszek Stankiewicz. This artistic activity is the broadest and most active way of relating to cultural values; the entire heritage of the tradition and the past, involvement in the cultivation of regional values, and the development of one's own artistic and creative passions.

During the consultations preceding the plenum of the Voivodship Committee, the need for constant improvement in the methods of dissemination used by institutions and cultural organizations was emphasized. This applies especially to rural areas and small towns.

Currently, in addition to the active cultural institutions, for example, the philharmonics, theaters, museums, and the active artistic communities, including writers, plastic artists, and dancers, there are 731 amateur groups in the Olsztyn Voivodship. There is also a broad social cultural movement and supervision of landmarks and monuments. However, as the discussion showed, particular attention should be given to activating culture in rural areas.

Other important tasks are disseminating culture among workers. The Cultural Commission of the PZPR Voivodship Committee stated: "there is an absence of general interest in creating socially accepted plans or programs for cultural and educational activities in plants. Union activities and youth organization activities in this area are not obvious in most plants."

Tadeusz Jelski, first secretary of the PZPR Olsztyn Voivodship Committee, presided over the deliberations.

13021

Need for New 'Leading Role of the Party' Model
26000631a Katowice GOSC NIEDZIELNY in Polish
No 33, 14 Aug 88 p 8

[Article by NATA]

[Text] "The leading role of the party in cultural life cannot be based on the traditional model"... That is the opinion I read recently in POLITYKA itself. This is not a shocking exception. Discussions on the need for a new model for the leading role of the party in present-day Poland are seen again and again in today's press. In reference to many fields, not just culture. Well-known and lesser-known writers are speaking out in the columns of various newspapers, including those of the Prasa-Ksiazka-Ruch Workers' Cooperative Publishing House. And lightning does not strike, although not too long ago this was a taboo of taboos, a sensation of sensations, in the revisionist sense.

A traditional, or new model of the party's leading role—the expression itself may sound a little strange to many people. People, as a whole, have heard more about different party models, or different party systems, than about models of the leading role. Unsophisticated persons tend to divide all parties and political factions into two basic groups: 1) those envisioning the fulfillment of a leading role in some country, and 2) those not envisioning the fulfillment of a leading role (even in cases where elections have been won a couple of times by a majority vote. But life—as we see—is more subtle than people, and more innovative. It forces the thinkers to deal with truly difficult and complex problems.

The difficulty and complexity of the program lies mainly in the fact that the principles of the party's leading role must be combined with far-reaching pluralism, not only in the area of viewpoints, but also in the area of institutions and all various forms of social activity and the organization of cultural and economic life. One should harmonize with the other, the leading role with pluralism. All of those who are writing about this, for the most part, agree on what should be done, but find it difficult to answer how a given thing should be done. And indeed, how should it be done? Einstein, who was not a party member, would probably scratch his head, although, after all, he knew the theory of relativity, having developed it. Even Marx would probably be in trouble because of the long timespan separating the "Communist Manifesto" from our era and everything that has happened in the meanwhile. And there is no point in even mentioning Shakespeare, because he seemed to simplify everything, reducing various dilemmas to a basic "to be or not to be." In any case, the difficult question about a new model or a new formula, a new spirit and new form, has been asked. And people are waiting for the answer. And there is no point in waiting for Godot to come and explain it.

This waiting exerts a great influence on everything that is going on in reformed Poland. Until the question is completely and definitively answered, we cannot expect any rapid progress or decisions in any field. I doubt that any middle or even semihigh "echelon" would want to make a move prematurely. For what if the one who moves makes a mistake? Of the persons who have the authority to sign something, rarely has there been one who regretted that he delayed, while many have regretted their haste. They also believe, having learned by their own experience and that of others, that it is safer to forbid something to someone close to them than to permit it. So, for right now, we will wait—understanding that it is not possible to settle a matter by some kind of referendum (especially since it would also include non-party people and those who think less subtly). A possible closed contest could also be disappointing. Anyway, it would not be easy to even assemble a jury, to say nothing of establishing the criteria for settlement.

But waiting, aside from certain advantages, also has its faults. The first of which is that because of it many often urgent undertakings must be postponed. Furthermore, human energy sometimes becomes frozen (and freezing of energy, unfortunately, means that some of it is lost, as seen after it has been defrosted). Wyspianski once complained that Poles "do not want to wait." Today this looks somewhat different. "I could do a number of useful things, but I cannot," say some. That is the paradoxical and sad truth. He could, in view of his mental ability, energy and goodwill. He cannot because of technical difficulties and limitations which stem, often, precisely because people must wait.

And yet some progress could probably still be made, or something could be changed for the better, simply by applying ordinary common sense. For example, take the matter of the arts associations. From the common-sense standpoint, does there really have to be one association for each arts "branch"? Would it be wrong, or strange, if there were as many as the persons directly involved, would like? Pluralism of associations, and even competition among associations, is, after all, culture-creating, and, furthermore, it is good for the protection of human, artistic natural environments, so to

speak. And none of these associations would have to be more important than the others. They would talk to each other as equals. Or, for example, the matter of different forms of property-ownership: communal, cooperative, etc. Does the process of their taking shape, in relation to the public sector, have to take so long? Do all people and all concepts have to necessarily grow old while waiting, just as the former model of the party's leading role grew old?

9295

TPPR Plans Publication of Controversial Soviet Books

26000647b Poznan WPROST in Polish
No 33, 14 Aug 88 p 3

[Text] Perestroika has also come to the Cooperation Publishing House (a TPPR [Polish-Soviet Friendship Association] printing house), whose task is to promote Soviet and Russian literary culture in Poland. Director of the publishing house, Ryszard Pogonowski, announced in an interview for KULTURA that, in the immediate future, books filling the so-called blank spots will appear. Among others, these will include the novel "Moscow Street" by Boris Iampol'skii, on the fear gripping people in the period of the "personality cult"; "Through the Eyes of a Man of My Generation" by Konstantin Simonov, a story by the outstanding writer on Stalinism and his attitude to the person of the Leader; "Life on the Kolyma" by Anatolii Zhygulin, on Stalin's camps. It is planning to publish as many as three books by Prof Roi Medvedev: "The Revolution of 1917," "Brezhnev," and a work on Stalin, which will be a compilation of his famous books, "Stalin" and "Stalinism." "Khrushchev" by Fiodor Burlatskii will also be published. The book entitled "Blank Spots," a collection of texts from the Soviet, and not only Soviet, press about perestroika and Stalinism, prepared by Cooperation with the Poll-Press News Agency in Bydgoszcz, will present the image of reconstruction in the USSR. These will certainly be bestsellers and may they find their way to the hands of readers as soon as possible.

9761

POLAND

Bielorussians Visit Sadowski, Foreign Economic Cooperation Ministry

26000549a Warsaw TRYBUNA LUDU in Polish
4-5 Jun 88 p 8

[Text] At the invitation of the PZPR Central Committee [KC], a delegation from the KC of the Bielorussian Communist Party [KPB] visited Poland. The delegation was comprised of Valerii Pycheranikov, Politburo member, KPB KC secretary and member of the Supreme Council of the Bielorussian Soviet Socialist Republic [BSSR]; Vyacheslav Kyebych, KPB KC Politburo member, deputy chairman of the Council of Ministers and chairman of the BSSR State Planning Commission; Alexander Grakhowsky, chairman of the executive committee of the Homel district; Vladimir Zalomaj, secretary of the KPB District Committee in Brest and Pyetr Kravchenko, secretary of the KPB Municipal Committee in Minsk. The delegation conducted discussions with the PZPR KC, meeting with management of the Political-Organizational, Ideological, Social and Economic Policy and Foreign divisions, discussing concrete topics regarding the implementation of declarations on Polish-Soviet cooperation in the fields of ideology, culture and science, as well as the results of direct cooperation between the provinces and their counterparts in Bielorussia.

Jozef Czyrek, Politburo member and PZPR KC secretary, and Kazimierz Cypryjak, PZPR KC secretary, met with the delegation.

The delegation also held discussions with the chairman of the Planning Commission, Prof Zdzislaw Sadowski, and at the Ministry of Foreign Economic Cooperation. It became acquainted with the work of the main board of the Society for Polish-Soviet Friendship.

While visiting Lodz, Bialystok Province and Biala Podlaska Province, the delegation had the opportunity to become acquainted with the effects of cooperation between the provinces and their counterparts in the USSR. During discussions with the political and organizational leaderships of those provinces, new decisions were made that will permit the development of regional cooperation in all aspects of socioeconomic life.

12776

ZYCIE GOSPODARCZE 'Briefs' Columns

26000624 Warsaw ZYCIE GOSPODARCZE in Polish
No 25-30, 19 Jun-24 Jul 88

[Reports: "Last Week"]

[No 25, 19 June 88 p 2]

[Excerpts]

In Poland

The presidium of the Planning Commission examined a proposed conception for Polish-Soviet economic, scientific,

and technical cooperation through 2005. It calls for giving this cooperation a particularly dynamic character in the most modern areas of production by jointly developing research work. It calls for broad application of economic instruments stimulating direct cooperation between enterprises and research institutes.

The government has forwarded to the Sejm a proposed law "On Economic Activities With Participation of Foreign Subjects" and a proposed amendment to the "Trade Law."

The Committee of the Council of Ministers for the Implementation of the Economic Reform examined proposed reforms of the health care and welfare system, and also familiarized itself with the proposals for forming an economic court being prepared by the state economic arbitration and the Ministry of Justice.

The government presidium examined a proposed list of state enterprises to be liquidated and a list of state enterprise directors and heads of cooperatives to be recalled or suspended from active performance of their duties.

"There are occupations (judges, teachers, bureaucrats) whose selection authorities all over the world reserve themselves the right to supervise. But this does not mean that 'a right' is 'complete arbitrariness,' with no obligation to explain the motives behind a decision. A lasting achievement of Polish legal culture is the principle (here the contributions of the Supreme Administrative Court are gigantic) that so-called free judgment is not beyond the obligation to justify decisions or beyond review. I think that in the future the principle that each decision must contain a justification, especially as regards the facts, should have constitutional status. And this is why at present the tasks of the ombudsman is to watch over the observance of procedural rules of the game." From a comment by Prof Ewa Letowska [ombudsman] for RZECZPOSPOLITA.

Against the background of the worldwide trend toward rapid development and modernization of mass communications, it is possible to speak of stagnation or even of regression in Poland. The Press Council thinks that it is especially necessary to take up the issues of the quantity and quality of paper, renewal of the cellulose-paper industry, development of the printing industry, modernizing PAP, modernizing and developing radio and television technology, and improving the equipment in editorial offices.

As was announced, beginning 1 July 1988 "N" accounts will be liquidated, and only "A" accounts will remain. It will also be possible to deposit into "A" accounts so-

called undocumented convertible currency without having to prove its origin. Moreover, each citizen who has \$10 (unofficially speaking, for the bank accepts deposits in principle all convertible currencies) can open an account "a vista," and if someone has \$100, he can open a long-term account.

Abroad

T.W. Mlynczak, deputy chairman of the Council of State and chairman of the SD, paid an official visit to the FRG. The themes of building a joint, European home and of reintegrating Europe wound their ways through the numerous talks. Polish-German relations were also discussed.

At the ILO, Ireneusz Sekula, minister of labor and social policy spoke. He expressed satisfaction with the decision of the current conference to restore our delegation's right to vote.

A broadening of visiting scholar opportunities and internships is a fruit of the visit of the minister of agriculture, forestry, and the food industry in Sweden.

In Moscow, the text of a joint declaration on establishing official relations between the CEMA and the EEC was initiated.

In accord with a decision of the CSSR authorities, exports will be reduced by 900 million Kcs of consumer goods (the limitations does not apply to trade with the socialist countries). More than 550 million Kcs have been earmarked for purchases of additional imports; currently a further 500 million Kcs are being put into action. Industry has received additional subsidies—700 million Kcs—for modernization and the purchase of equipment abroad for producing articles for general use.

After returning from a conference of the secretaries for economic affairs of the fraternal parties of the members countries of the CEMA, Jozef Lenart, member of the presidium and secretary of the CPCZ Central Committee, announced that one of the primary problems in the CEMA is the introduction of settlements based on convertible currency. This proposal must be pursued because the rigid maintenance of the traditional, territorial exchange of goods is today a great barrier and brake on the development of cooperation.

The value of turnover in Chinese-Soviet trade was \$2 billion in 1987, and in the course of six years, it has grown tenfold. After the decentralization of the rights to govern border trade in both countries and having assigned the local authorities the right to control many transactions, border trade has grown by a dozen or several dozen percent each year. Within border trade, China supplies chiefly first aid articles and products of the light and textile industries; the Soviet side ships raw

materials, materials, and some machinery and vehicles to the PRC. Additional border crossings have been opened; at the beginning of the 1990's, a rail line joining Xianjiang with Soviet Kazakhstan is to open, which will shorten the rail link between Beijing and Moscow by two and a half days.

[No 26, 26 Jun 88 p 2]

[Excerpts]

In Poland

The value of the contracts with countries in the first payments area signed at the 60th Poznan International Fair is 2.345 billion rubles (last year 1,547 billion rubles). Contracts with the second payments area are worth \$247 million (in 1987, \$189 million): exports, \$122 million and imports, \$125 million. The largest contracts were signed by Elektrim, 127 billion zloty (the single largest contract was with the Soviet Union for supply of high and low voltage equipment, 510 million rubles).

The leadership of the Planning Commission examined proposed long-term plans and regional plans for the country through 2000 developed on the basis of assumptions approved last year by the Sejm.

Demand for land is declining. The land area at the disposal of the State Land Fund rose last year from 765,000 to 785,000 hectares. The State Land Fund received 122,000 hectares and disposed of only 102,000 hectares; in 1986 the analogous figures were 107,000 and 113,000 hectares.

"The system of asking simple questions and seeking answers to them is the best test, the best verification of the economic mechanisms," said Wladyslaw Baka, responding to questions at a meeting with the employees of the Automobile Factory. He emphasized the principle accented during the seventh plenum: the party, its leadership, cannot waiver when it comes to admitting mistakes; it must be critical of itself, the government, and other units.

The next steps in strengthening the links between the country and the 13 million emigrants have been taken. The Deputies' Group for Foreign Polonia Affairs held its first meeting on 16 June 1988. "The goal of the activities of this peculiar Polonia lobby in the Sejm of the PRL," as Prof Jozef Gierowski, its chairman, noted, "is to break down legal, economic, and emotional barriers which still prejudice many Polonia representatives against the country."

Abroad

The rapid return visit by Minister Marian Orzechowski to Denmark seven months after the visit by Uffe Elle-mann Jensen, the Danish minister of foreign affairs, to Poland shows that both countries attach great importance and meaning to strengthening the relations of good neighbors.

William Verity, Secretary of Commerce, speaking at a conference in Potsdam on security in East-West relations, appealed to the socialist countries to introduce full convertibility of their currencies with the currencies of the Western countries by 1995.

The amendments to the law on using land and other agricultural assets of 1975 adopted by the CSSR Federal Assembly on 15 June 1988 permits leasing socialized lands. A socialized agricultural organization (a state farm or production cooperative) can transfer plots of agricultural land to its members or employees and also to other state organizations or cooperatives for temporary use that are unsuitable for large-scale agricultural production. The new users of these plots can farm them and, in unusual circumstances, put them to other uses.

The new tax system implemented in Hungary on 1 January 1988 introduced two types of income taxes. One for citizens, another for enterprises. This system has aroused great controversy from the very beginning. After six months of use, the secretariat of the Patriotic People's Front has presented its position. It emphasized that the basic goals of the new tax system are appropriate, but various improvements need to be made.

The WALL STREET JOURNAL reported that Yugoslavia is prepared to use its gold reserves held in the International Bank of Settlements as a guarantee to help in obtaining needed supplementary short-term loans. Citing Belgrade sources, the newspaper writes that Yugoslavia needs about \$400 million immediately, most probably it will have to transfer as security the gold it holds. About 70 other countries hold their reserves in the Basel bank. The loans are essential to Yugoslavia's introduction of its conservation program and other new market economic reforms. The bank is to make a decision on providing the loans against the gold deposits in the near future.

Chinese economists think that further significant price increases are unavoidable, and the rising trend observable for the last two or three years, especially noticeable since the beginning of 1988, cannot be reversed. In their opinion, the inflation index will remain high, exceeding last year's rate of 7.3 percent. In the first quarter of 1988, the average increase was already 11 percent, and for some groups of goods, for example, vegetables, the increase was, given Chinese conditions, simply horrendous, 48 percent. The increases have encountered general social incomprehension, resistance, and opposition, if one does not take into account people with higher

levels of education, who have accepted the price increases, but opposed them materially since as intellectuals they earn less than physical laborers.

Chinese economists increasingly are beginning to warn of the incalculable effects of economic growth, especially rapidly rising industrial production. In May 1988, a record not seen since 1987 of 17.9 percent was reached. The State Statistical Office thinks that the conditions are such that one should expect a still greater increase in industrial production this month. Some of the Chinese specialists think that maintenance of such a rate of growth must inevitably lead to serious tensions in the economy, especially in the fuel and raw material balances. If preventive steps are not taken in time, they warn, then destabilization of the economy cannot be avoided.

[No 27, 3 Jul 88 p 2]

[Excerpts]

In Poland

A group of executive directors, members of the board of the International Bank for Reconstruction and Development, known as the World Bank, has come to Poland. The visit was at the invitation of the president of the National Bank of Poland, in his capacity as a governor of the World Bank. Its purpose is to acquaint the authorities of the International Bank with Poland's economic situation and with the changes deriving from the economic reform. The delegation familiarized itself with the proposed undertakings which could be covered by financing from the World Bank.

Last year we ate annually—per capita—66 kg of meat, 270-280 liters of milk, and 9 kg of butter.

Twenty-one enterprises have been liquidated, and 6 have been divided. The president of the Council of Ministers has made this decision on the basis of the law on extraordinary rights and powers. The recommendations were submitted to the minister by the ministers.

On 24 June 1988, a conference of representatives of the mass media from all over the country, in which Mieczyslaw Rakowski participated, was held; it was devoted to tasks associated with the implementation of the resolutions of the seventh plenum of the PZPR Central Committee. Rakowski emphasized that at the plenum the party leadership unambiguously expressed the conviction that the entire party should in the near future, more clearly than heretofore, step forth as a leading and directing force to energize the processes of socialist renewal. "Should" means that not always and not everywhere is it such a force, although it is known that it is precisely the party that initiates reform efforts. From the experience collected over the past years, it has turned

out, however, that initiative in the creation of a reform program does not automatically move the party members or the party activists into the ranks of the reform forces.

A delegation of a fraction of the European People's Party (Christian-Democratic) of the European Parliament led by Egon Alfred Klepsch (FRG), leader of the fraction has finished its visit to Poland. "I think," the delegation chairman said, "that Poland has the prerequisites for becoming a model partner with whom, initially, the EEC will establish diplomatic relations, sign a trade agreement, and begin to implement a program of exchange and help. The next stage, if developments at the first are favorable, will be to sign a cooperation agreement."

Premier Zbigniew Messner met with the directors of enterprises in the light and chemical industries. We are concerned with the relatively small supply of market goods and the worsening situation in comparison with recent years. We want to find out what, besides the known difficulties with supplies, are the causes of this situation? What should be done to change it? We would also like to talk about the actual problems of today with which the directors of these enterprises are struggling. These are the questions the premier directed to the directors.

In Wroclaw, a large accident deprived more than 80,000 consumers of electric power, among others, the railway and city hospitals. The accident happened when a power shovel severed one of two main power cables. Losses have been initially estimated at 15 million zloty.

Prices for cars have increased by 40 percent, as a result of a significant increase in the costs of production due to changes in the prices of materials, energy, and other items and to changes in the exchange rates for convertible currency in foreign trade.

The Foundation for the Development of Polish Agriculture, along with the Association of Enterprises of the Meat Industry, has signed a credit agreement with the Creditanstalt-Bankverein in Vienna. The agreement is guaranteed by the Bank of Commerce, Inc., in Warsaw. The largest Austrian bank will also financially support the undertakings of the Foundation in Poland. The first of them aims to increase the production of pork by private farms for the domestic market and for export to the United States. A loan of \$2.4 million is to be paid with income earned from the mentioned first program within three years. The initiators of this undertaking are counting on this undertaking being self-financing 19 months after its implementation.

Abroad

In Hanoi, talks between representatives of the State Planning Commissions of Vietnam and Poland have ended. During the talks, they exchanged views on ways of energizing economic cooperation between the two

countries during the coming 5-year period (1991-95) and developed a schedule of work in this area in accord with the recommendations of the 43rd session of the CEMA. Many other undertakings within the framework of credits given by Poland were agreed upon. They will be paid for by increased exports from Vietnam to Poland.

In Luxembourg, at the headquarters of the EEC, a joint declaration of the EEC and the CEMA to establish official relations between both organizations and to develop cooperation in areas of "mutual interest" has been signed. Hans-Dietrich Genscher, FRG minister of foreign affairs, as chairman of the Council of Ministers of the EEC, and Willy de Clercq, commissioner of the EEC for external affairs, signed the documents in the name of the "twelve." Rudolf Rohliczek, CSSR first deputy premier, as chairman of the CEMA Executive Committee, and Vyacheslav Sychev, secretary of the CEMA, signed in the name of the economic grouping of the socialist countries.

"Not the socialist order, but old methods, whose capabilities have been exhausted, are facing a crisis," said Karoly Grosz the leader of Hungary at the opening of an international conference on East-West economic cooperation. "Socialism must submit to reform, if the socialist states do not want to fall out of the central world trend of development," emphasized the general secretary of the MSZMP and premier of the Hungarian People's Republic.

According to CSSR minister of finance, Jaromir Zak, the foreign debt of the CSSR on 1 January 1988 was \$3.7 billion, and the state bank had reserves of \$2 billion. Thus, the so-called net debt was \$1.7 billion, which is the lowest sum among the socialist countries.

The results of the first months of 1988 show that in comparison with the same period last year, the economy of Bulgaria is developing more quickly. The daily OTECHESTVEN FRONT reports that in the basic sections of the enterprises and combines implementation of the annual tasks is proceeding rhythmically. During the course of the five months, production of the nonagricultural branches increased by 6.5 percent in comparison with a 3.7 percent increase during the same period last year, and this increase was achieved with less use of materials. In industry more than 90 percent of the increased net production was achieved as a result of an increase in the social productivity of labor.

[No 28, 10 Jun 88 p 2]

[Excerpts]

In Poland

In Warsaw, the first conference of national associations cooperating with the Club of Rome has begun. There are 18 such organizations, of which 14 are represented at the meeting on joint directions for undertakings, methods of

implementing them, and coordination problems. The host of the meeting is the Polish Society for Cooperation with the Club of Rome. Kazimierz Secomski is a member of the Club of Rome.

As PAP reports, the liquidation of 16 ministries and central offices, which were replaced by eight, has made it possible to reduce employment in the central state administration from 6,000 to 3,000 individuals. The number of department directors has been reduced by 58 percent. It was also reported that nearly one billion zloty has been deposited to a special bank account saved by the reduction of the fleet of vehicles and telephones and by the reduced expenses for official trips made by representatives of the state administrative offices, enterprises, industry and cooperative organizations.

Beginning 1 July 1988, prices for alcoholic products increased an average of 14.7 percent. The weaker ones, less, by 9.3 percent; the stronger ones, more, by 18.1 percent.

Jerzy Bilip, minister of industry, met with the directors of offices and councils of 74 associations of enterprises, advising how to increase efficiency broadly understood. As has been said, the associations are becoming increasingly important partners for this ministry, for they are best informed about the problems of the industries and enterprises. If I remember correctly, at one time the combines were such partners, with well-known results.

Commercial gasoline for 260 zloty per liter and 300 zloty per liter, beginning 1 July in a dozen or so stations in Poland. Not a bad idea, but the organization—as usual, complain to God! Lines—several hours long.

"A Pole who wants to return to Poland does not find his path laid with roses. The paradox lies in the fact that today it is easier to leave Poland... than to return to it. We cannot allow emigration to resemble the army that went to battle never to return, as L. Care who studied Polish emigration years ago said. Each Pole, regardless of where he lives, or the passport he carries, should have the right to come to Poland and to invest his money, whether in a workshop, his own plant, or a house, duplex, or apartment." From an interview with J. Kłasy, secretary general of the Polonia Society for RZECZPOSPOLITA.

Abroad

Deputy Premier Zbigniew Szalajda chaired the Polish side of the deliberations of the PRL-FRG government commission for economic affairs, which were held in Hamburg. Then he held talks with many personages of the political and economic life of the FRG and was received by Chancellor Helmut Kohl. The Chancellor

emphasized the desire to develop relations between the FRG and Poland across a broad range and confirmed his intention to pay an official visit to Poland.

A two-day conference between the CEMA and EEC organized at the initiative of the socialist fraction of the European Parliament was held in Athens. Ways to broaden economic, scientific, and technical cooperation were discussed, as were some political problems. A joint declaration calling for close cooperation between Eastern and Western Europe was announced.

The spring session of the National Assembly of the Hungarian People's Republic was held. During it, unaffiliated 74-year-old Bruno Straub, professor of biology, was elected the chairman of the Presidium Council of the Hungarian People's Republic. He replaced 65-year-old Karoly Nemeth. Imre Pozsgay, recently elected to the Politburo of the MSZMP at its national conference, was named by the parliament to the position of minister of state. In his new position, I. Pozsgay will take on some of the responsibilities of Premier Karoly Grosz. The election of B. Straub, as the deputies emphasized, after the most open, lively parliamentary debate in more than 30 years "is concrete proof that the party is genuinely striving to separate the state and the party."

"In Slovenia there is no counterrevolution or mass, nationalistic movement aimed against Yugoslavia and interested in separation from the rest of the country," Milan Kuczan, chairman of the Presidium of the Central Committee of the Union of Communists of Slovenia, said at a plenary meeting of the Central Committee.

In a speech on the socioeconomic situation of the country, given at the third session of the National Assembly of the Socialist Republic of Vietnam, Deputy Premier Vo Van Kiet stated that the food deficit and the increased price of gold have caused an uncontrolled movement of prices upward in reference to those of other products and materials. Even the socialized market has seen phenomena of arbitrary price increases.

Analyzing the causes of the inflation, the deputy premier stated that the economy of Vietnam for many years has found itself in a situation in which the balance between production and consumption, between supply and demand has been strongly disturbed; since the beginning of 1988 in the northern sections of the country, there has been a serious food shortage, which has led to violent increases in the prices of all products; the situation is also the result of the mistakes made in introducing the new management mechanism. Decisions were made to increase the independence of the local authorities in economic activities without any comprehensive changes in the mechanism for managing the economy.

[No 29, 17 Jul 88 p 2]

[Excerpts]

In Poland

From a statement by Prof W. Baka during a meeting with journalists: "A year ago the National Bank of Poland prepared a program to strengthen the currency. We proposed a policy of gradual price and income corrections and not a single large operation. Social experience teaches that the so-called equivalent recompensation is accepted by society with disbelief. The first sin of socialism was to reject money as an unusually important achievement of civilization. It was identified only with the capitalist economy. I have the impression that currently awareness of the disappearance of this barrier in relation to money is increasingly common. In our program, we recognized a change in the approach to money as the key to healing the economy. Thus, we said, among other things, that the bank cannot fund the budget with credit by emitting money without backing...."

The members of the Planning Commission, scholars, and economic and political activists during a discussion took positions on the fundamental problems developing the country contained in the proposed plan for socioeconomic development and the spatial plan for the country through 2000.

On 8 July 1988, at the Board of the Szczecin-Swinoujscie Port, the future fundamental partners of the stock company "Free Trade Zone" held a meeting during which they discussed, among other things, the final version of its proposed charter and economic and financial plans.

The main topic of the deliberations of the Executive Committee of the OPZZ were the disturbances and strikes that occurred in April and May in some plants. In introducing the discussion, Włodzimierz Lubanski, deputy chairman of the OPZZ, recalled that long before these disturbances the union movement had drawn attention to the false, in his opinion, price and income policy, to the incoherence of the fiscal systems and the wage systems. The OPZZ Executive Committee, taking into account this situation, on 5 May took up solidarity with the employees of the plants and their trade unions taking legal actions to defend real wages and maintain an appropriate standard of living.

From PRON's evaluation of the elections to the people's councils: On the one hand, a new election law introducing democratic measures and, on the other, an old style, old methods and practices of conducting the campaign collided. As a result, the opportunity to promote people with controversial views was not used. The new institution of nominating candidates by citizen's meetings was limited, chiefly by the internal rules of the political organizations.

A terrible storm went through the Southeastern section of Poland on 6 July. Winds reached gusts of 36 m/s. Precipitation, most in the course of a few dozen minutes,

reached levels characteristic of a rainy month. Large hail stones also fell. The tempest caused great damage in the Rzeszow, Tarnobrzeg, Krosno, and Tarnow Voivodships.

A government delegation from the Soviet Union lead by the Lev A. Voronin, chairman of the State Materials and Technical Supply Committee of the USSR, visited Poland. Talks concerned improving cooperation between enterprises. Both sides called for development of direct trade between economic units of Poland and the USSR and also joint production for mutual needs. In the fall of 1988 in the Soviet Union, supply fairs will be organized in which Soviet suppliers and consumers will participate. L.A. Voronin invited enterprises from Poland interested in selling or buying to these fairs.

The joint meeting of the Sejm commission with representatives of the government and the electronics industry on 6 July 1988 was devoted to evaluating the implementation of the program to promote electronics in the national economy over the past 15 months. The evaluation lead to the conclusion that the promotion of electronics in the economy, in spite of a large index for the rate of growth of production in the electronics industry, has essentially made no progress.

Abroad

Delegations of the EEC and Hungary initialed an agreement on trade and economic and commercial cooperation. Establishment of diplomatic relations between the Community and Hungary was also announced. The agreement assumes the elimination of all quantitative restrictions (in all 2,000) on Hungarian goods in three stages:

lifting, within one year from the beginning of the agreement, of quantitative limitations on a certain number of Hungarian goods, not included among the "difficult" ones that compete with producers in the EEC;

lifting, prior to 31 December 1992, of the quantitative restrictions on "moderately difficult" goods;

lifting, at the latest by 31 December 1995, of the restrictions on the "very difficult sectors" (textiles, artificial fertilizers, polymers, wood and leather products, glass, cement, and color televisions). This group of goods includes 20 percent of the currently binding limitations. In all the quantitative restrictions today apply to 5 percent of all Hungarian exports to the EEC countries. Hungary is obligated to facilitate access to its markets for firms from the Community.

FRG Chancellor Helmut Kohl presented the results of the EEC summit held in Hanover to the European Parliament in Strasbourg. He drew attention to the fact that it had taken positions on many important questions of foreign policy. First, he mentioned the issue "central

to the future of Europe" of developing East-West relations. "Thanks to the systematic policy of cooperation and dialogue, the twelve have made a contribution to the encouraging progress registered in recent times....In this context our declaration unambiguously expresses satisfaction with the establishment of official relations between the Community and the CEMA." Kohl recalled that the participants at the summit in Hanover supported the idea of calling an East-West economic conference and appealed to the participants of the CSCE in Vienna to make all efforts to enable the adoption of a substantive, balanced final document.

Jacques Delor, chairman of the EEC Commission, said in the European Parliament that the time had come to consider forming a European government. As he said, without such a European government in one form or another, "we will not be able to make all of the necessary decisions by 1995."

As the daily NHAN DAN reported, among the 63 million inhabitants of the Socialist Republic of Vietnam, 6 million or about 20 percent of the people in the occupationally active age-group has no permanent employment. The number of people in the occupationally active age-group in Vietnam is estimated at 32 million people, of which 18 million live in the rural areas. Only 26 million, however, have permanent employment. The rest, or those 6 million, is unemployed or employed from time to time.

During talks with the President of Brazil Sarney, Deng Xiaoping, who will be 84 in August, said that he has transferred practically all of his obligations involved in leading the party and the state to his two closest coworkers: Zhao Ziyang, secretary general of the CPC Central Committee, who he called the "chief host" of China, and to Premier Li Peng. Soon the annual informal meeting of the Chinese leaders will begin in the oceanside health resort of Beidaihe. It is thought that a platform for the Chinese leadership on the question of reforming prices and wages, including a schedule for implementing this program, will be developed there.

[No 30, 24 Jul 88 p 2]

[Excerpts]

In Poland

The Committee of the Council of Ministers on the Implementation of the Economic Reform examined plans for changes in the categories of costs presented by the minister of finance. The purpose of the proposed changes is to limit the types of costs included by enterprises in the nonmaterial costs. It is expected that the proposed limitations will increase the range of independence of the enterprises in expending their funds and will contribute to ensuring their proper economic accounting.

Representatives of the Ministry of Finance and of the Bank of Commerce agreed with the commercial banks on the conditions for, and the text of, an agreement to reschedule and to restructure the obligations due on long- and medium-term loans drawn on the banks that total about \$9 billion. The agreement calls for distributing the payments originally due in 1988-93 through the year 2002 and for reducing the costs of servicing the debt. The agreement should be signed in London on 20 July 1988.

The 12th session of the Polish-Austrian Government Mixed Commission for Economic, Industrial, and Scientific and Technical Cooperation met in Warsaw. It positively judged the state and prospects for developing economic relations and drew attention to the needs and opportunities for systematic growth in the volume of trade. The meeting with the 20 representatives of the Austrian enterprises and banks confirmed the great interest by concrete Austrian economic units in undertaking direct cooperation with Polish enterprises. This applies especially to modernizing the cellulose and paper industry, metallurgy, agriculture, food, tourism, and hotels.

By 30 June 1988, the Ombudsman for Citizens' Rights had received 32,919 cases of requests for intervention. During this period, 3,435 petitioners had been accepted, and 41 interventions had been made, whose addressees were the Sejm Presidium, the president of the Council of Ministers, and the heads of ministries. As a rule, they signal systemic mistakes in substantive matters and the application of the law, and the operation of the administration. For two months, inspections of prisons have been underway. So far 11 visits have been made to prisons, producing about 700 interviews in cases concerning living conditions and the treatment of the prisoners.

During a meeting of the Sejm Commission for Foreign Economic Cooperation, Minister Wladyslaw Gwiazda announced that during the first six months of 1988, exports to the CEMA member countries were about 5.5 billion rubles and were about 11.5 percent higher than during the same period last year. Exports to the remaining countries were nearly \$4 billion and increased by 21.5 percent, and included exports that produced uncommitted convertible currency by more than 26 percent. Significantly greater income from exports sales made it possible to greatly increase imports. Imports from CEMA countries increased by 7 percent and reached a level of about 5.2 billion rubles and from the remaining countries of the world by more than 28 percent and were about \$3.3.

Abroad

The French government has confirmed the text of the proposed law restoring the tax on large property holdings, which will be examined in the fall by parliament. It should produce income on the order of 4 billion Fr and

serve to finance about half of the monetary supplements for individuals in the greatest need (the unemployed without benefits, the so-called new needy). It had the name "solidarity property tax" restored to it. It was introduced in France by the Socialist government in 1982 and repealed by the conservative government of Jacques Chirac when he took office in 1986.

"Restructuring the Hungarian debt could lead to inflation exceeding 100 percent and unemployment for tens of thousands of people," said Laszlo Bekesi, deputy minister of finance for the Hungarian People's Republic. The economics weekly OETLET reports that this year Hungary will have to obtain new loans of \$2.5 billion to service its foreign debt. It is expected that this year unemployment will affect 50,000 individuals including 16,000 retirees who will lose their jobs that provide supplementary income.

The Seoul daily CHOSUN ILBO reported that the cabinet of South Korea is considering permitting the consulates of the socialist states, which are to operate there during the Summer Olympics, to continue operations after the Olympics.

The Ugandan authorities have offered to sell about a 25-percent interest in the state sector. It includes 22 enterprises, including textile plants, firms importing cars, and iron ore mines. The government will remain one of the owners or partners and retain a majority interest in the railways and airlines, power plants, sugar mills, and cement plants. This is one of the points of the economic reform program announced a few weeks ago.

13021

Specific Propositions for Structural Reorganization of Cooperatives

26000549c Warsaw TRYBUNA LUDU in Polish
4-5 Jun 88 p 2

[Text] Under the chairmanship of Marian Wozniak, Politburo member and PZPR Central Committee secretary, the Party-Government Commission for Review and Modernization of Organizational Structures of the Economy and State met on Friday (3 June). Conclusions reached by the cooperative reorganization group were considered.

The cooperative movement in its many forms currently numbers almost 15 million members. Last year more than 14,500 cooperatives conducted economic activity. This sector of the economy is playing an ever more important role in producing national income (11 percent), in industrial production (12 percent) and in retail sales (nearly 75 percent).

In addition, it carries on extensive social and educational activity aimed at developing autonomous, democratic forms of participation by its members and employees in economic life, in rationalization of household and manufacturing economies.

There are a number of reasons why both the organizational structure and the operating system of cooperative institutions are far from the demands set by modern economics and the process of democratization of our social life. For years a weakening of ties between members and cooperatives has been apparent as a result of the limitation of the cooperative self-management function and its placement in the role of one-way transmitter of central directives. Bureaucratization of cooperative structures has occurred, along with excessive stratification and departmental and territorial "isolation."

The group offered very penetrating proposals designed to modify organizational structures in the cooperative movement. They take into account above all criteria for economic efficiency. But the methods by which these changes should be accomplished provoked lively discussion. Should it be an evolutionary process related to the pace of the whole economic environment in which the cooperative movement operates, including provincial and national relationships?

Opinions were divided in the discussion. Predominant was the position that in maintaining the variety of organizational forms adapted to the peculiar situations of the various arms of the cooperative movement, one should aim for resolute simplification of expanded structures. But first of all, it is necessary to remove in a decisive way the reasons that led the cooperative movement to its current degeneration. They lie in market conditions, in the model of management and the imposition by the state of specific duties on the cooperative movement.

Seen as a basic issue was fortification of the cooperative's subjective role and its ties to its members. This is related to establishing a feeling of benefit from membership in the cooperative. It was noted that many changes made recently are moving in the right direction.

The point, stressed Marian Wozniak, is that these changes be made faster, that they produce a socially perceptible growth in production and services, relieving the cooperative movement of bureaucratic baggage and liberating it from unnecessary indirect stratification.

The commission adopted the group's proposals for systemic and organizational solutions, radicalizing the substance of the record on several important issues.

12776

**Liquidated Firms, Growth of Companies,
Ownership Discussed**

26000615b Warsaw ZYCIE WARSZAWY in Polish
16-17 Jul 88 p 3

[Article by Bogdan Miedzinski, director, Department of Economics and Systems in the Ministry of Industry]

[Text] That the structure of our economy is antiquated and ossified, that it requires radical changes, is something we have known for a long time. All authoritative experts and decisionmaking centers agree with this. However, life proves once again that the validity of such or other principles does not, at all, have to facilitate their implementation. That is why the well-known adage about jokes, that are finished, is perfectly suited to the recently made decision concerning the liquidation of 21 state enterprises by power of the act granting special powers and rights for the government. Thus, the work forces and the sociopolitical aktiv of these units are expressing (although it should be said—are feigning) surprise and resentment and are writing protests—pleading and threatening. Tension is carried over to the central level. Here and there, doctrinal uncertainties are again beginning to be heard.

Questions are also being asked from opposing points of view. Will the authorities have enough power and determination to continue the so-timidly initiated process of eliminating the inefficient elements of the economy if at the very start such strong opposition against it is already evident that special plenipotentiaries are needed to carry out that which, from a purely legal standpoint, was already possible earlier?

This unrest arises from the practice shaped for years which—although this may seem paradoxical—articulates much more strongly the particular interests of the conservative forces than the views of the progressive forces which express the broadly understood interests of society as a whole. The uproar raised by the defenders of the allegedly unjustly liquidated enterprises compel one to ask: Why does the voice demanding, on behalf of each one of us, the efficient use of this part of the national assets, which has taken on the form of the today liquidated enterprise, sound so anemic? Will the small but very active forces representing the concerned communities and groups stifle once again the "silent" majority? This is not a rhetorical question. After all, decisions bearing much more specific weight (e.g. with regard to the shipbuilding industry) than the liquidation of several dozen—frankly speaking—not very important enterprises are being forecast.

There is no doubt that the first mishaps accompanying the liquidation measures initiated by the government point to a pressing need for undertaking decisive support action—in a manner, as it were, outdistancing [its opponents], and at that in at least two planes. First of all, the acceleration of institutional changes is indispensable so that the restructuring processes be forced out not only by

the center but so that they at least have support (if not self-drive) at lower levels of the organizational structure of the economy. At such a time, the role of the center would be to recognize the economic forces (the leading enterprises) to whom the role of "locomotives" dictating the rate of changes in the economy would be entrusted.

Second, an attempt has to be made at changing social awareness with regard to the extent, intensity and the very substance of the structural changes. It is a question of, above all, getting rid of the still lingering delusions that this will be a painless process. This is not the case anywhere in the world. As a rule, restructuring leads to the deep disturbance of the particular interests of many social groups and that is why its course is frequently, downright dramatic. In order to realize this, we do not have to reach for foreign experiences.

However, we have no choice. The carrying out of changes in the organizational structure of the economy is necessary. One of the primary traits of a healthy economy based on the principles of competition is change. It manifests itself in the creation of a large number of new enterprises (which, according to statistics, are the main carriers of innovative processes in the economy) and, on the other hand, in the announcement of liquidation or bankruptcy by nearly the same number of enterprises that are unable to meet the exigencies of competition.

By way of example, in the FRG, the number of enterprises is increasing every year by approximately 11 percent. In 1987, nearly 300,000 new firms were created in that country whereas approximately 250,000 were liquidated. In Sweden, the number of registered and liquidated joint ventures vacillates between 5,000 and 10,000 annually. In the United States, this number comes to 600,000. Next to these basic "structure forming" processes, there is also a great deal of changes such as the merging of enterprises and the coming about from already existing economic entities of new, economically independent units possessing legal status (as a rule, in the form of capital joint ventures).

How do these processes look in the Polish economy? It is difficult to answer this question precisely because GUS [Central Office of Statistics] statistics are incomplete and continue to be conducted in rather antiquated sector cross-sections and do not present a clear picture of the situation (it is enough to say that in the Statistical Annal for 1987, there is not one word about the joint ventures that are mushrooming everywhere). Nonetheless, random data indicate that, for example, by the end of 1987 there were 6,906 state enterprises and 22,246 cooperatives in the socialized sector. This year, 95 state enterprises and 458 cooperatives have been registered, and 101 and 202 units respectively have been liquidated. The process of the unusually dynamic formation of joint ventures of which in 1986 there were 1,787 whereas their number in 1987 rose to 4,884—thus, more than 270 percent—is a totally new phenomenon. The group of

private enterprises (skilled craft, Polonia-type, etc.) of which in 1986 there were more than 500,000 (a 3 percent increase in relation to 1985) is also marked by significant growth rate.

It follows from the above presented data that in the body of state enterprises (therefore, where the lion's share of the national income lies), we are dealing with nearly total stagnation, if not to say ossification, of the organizational structure. And such a state occurs when we concurrently feel the inadequate supply of production factors in a dramatic manner. There is a lack of foreign exchange for imports, a limited supply of power and basic materials, and a manpower shortage. The resources accumulated from state enterprise development funds do not suffice for the simple regeneration of their [enterprises] assets. In 1987, the ratio of the outlay value from this fund to the value of fixed assets came to 12.7 percent in the electronics industry; 7.7 percent in the computer science industry; production means for agriculture, from 3.5 to 5 percent; and in the furniture industry, 0.03 percent (!). Things will look even worse following the reassessment of these assets planned at the end of the year!

The above presented web of circumstances has led to the appearance of an extremely disturbing trend. Thus, for a certain period of time we have been witnessing the phenomenon of a dramatically rising mutual debt [enterprises] or what constitutes a more adequate term—the insolvency of enterprises. Thus, for example, during 1987 enterprise obligations in the electronics industry rose 15-fold; in the computer science industry, 17-fold; in various branches of the means of production for agriculture industry, from 3 to 16-fold; and in the furniture industry, 13-fold. Amounts due also rose at a similar rate.

This phenomenon is often explained with the arbitrary—on the part of the bank—restricting of credit access for enterprises. Of course, this is not so. After all, the amount of the credit granted by a bank is determined by the amount of savings deposited in it and cannot be greater.

However, if the cause of enterprise insolvency lies in an overly small credit pool made accessible to them by banks, then we come to the conclusion that the demand for this credit is simply too great. This occurs on account of those enterprises which are debtors but do not guarantee the effective use of the borrowed amounts.

Such an interpretation of the cases of the growing insolvency of enterprises indicates concurrently a way out of the impasse. This is possible by way of eliminating from the economic game those enterprises that do not possess creditability.

The acceptance of the above argument would at the same time have to lead to the recognition of an enterprises's creditability as an essential criterion for carrying out

structural changes in the economy. This criterion would lead to the categorizing of enterprises, not on the basis of their affiliation with less or more preferred sectors but on whether they possess the ability to produce the means for development or not. In this way, we could escape the vicious circle in which we have become entangled by intensively investing for many years in mining and metallurgy which have constantly required and still require outside assistance, thus placing a drain on the entire economy.

The effectiveness of liquidating measures, implemented within the framework of the restructuring of the economy, is decided not only by the accuracy of the assessment of an enterprise's financial standing (preceding a decision to liquidate) but also by the way in which the assets, released as a result of its decision, are managed. After all, liquidation does not mean that these assets will be scrapped whereas the area of the liquidated enterprise will be plowed over. Liquidation is, above all, the creation of the possibility of the new management of these assets, as a rule, by a new manager frequently in a new institutional form, in such a way that the previously unfulfilled requirements of effectiveness will be met.

A good illustration of such an approach is the case of the Zagan Glassworks in Iłowa. In 1987, this enterprise attained a barely 4.2 percent profitability. This meant a profit at the disposal of the enterprise at a level of not quite 17 million zloty (as much as nothing) with unusually high losses of over 62 million zloty. Today, after the decision to liquidate this enterprise has been made, a rather ripe concept is already outlining itself of the creation, on the basis of its assets, of a joint venture in which one of the partners would be a foreign trade enterprise bringing with it substantial financial resources that would enable the development there of large-scale export production.

Keeping in mind the effectiveness of further inevitable actions aimed at the liquidation of inefficient enterprises, we cannot overlook the systems shortcomings that exist in this area. In the first place, the inappropriateness of turning over a liquidated enterprise's assets in the course of an administrative decision (this pertains primarily to transfers carried out within the sphere of state ownership) should be pointed out. A simply absurd situation arises: in obtaining machinery and equipment in the normal course of procedures, an enterprise must pay for them whereas a unit that takes over the assets of a liquidated enterprise worth many billions, essentially obtains them free of charge.

If we want the processes of liquidation of "work," i.e., to ensure rational use of the assets of liquidated enterprises, the creation of a situation is indispensable in which the right of ownership with regard to these assets is transferred in the course of capital transactions. In this respect, the issue, of the functionalism of the liquidating

procedures constitutes an element of a problem of a much greater scope and much more complex, namely the creation in Poland of a genuine capital investment market.

It is doubtful whether such a market can be created without at the same time revising our—let us admit—already quite outdated doctrine of socialized ownership and particularly the civil code recorded in Article 128 with regard to state ownership. It proclaims that: "National (state) socialist ownership belongs undividedly to the state." Without relinquishing this "indivisibility," it will be impossible to seriously think about the creation of an effective system of capital flow between state enterprises, so essential from the point of view of the processes of restructuring. It stands to reason that, consequently, changes should also occur in the "constitution" itself of state enterprises, i.e., in the act of 25 September 1981, that would bring the solutions adopted there, particularly in the sphere of assets, closer to those which are in force in capital joint ventures.

A second direction of the evolution of the doctrine of ownership—vital in terms of the process of liquidating enterprises—would be to recognize the possibility of the "integration" of state ownership with private ownership through the creation of so-called workers joint ventures, i.e., the kind in which an enterprise's employees would control part of the shares. The conversion of a liquidated state enterprise into this type of a joint venture would create a level of deeper commitment by the work force to the difficult process of improvement and assuming financial responsibility for the results of this process.

In the meantime, we are left with the act pertaining to special rights and powers for the government. By the end of the year....

9853/12232

Polish-Soviet 'Polsib' Computer Joint Enterprise Described

26000621 Warsaw ZOLNIERZ WOLNOSCI in Polish
7 Jul 88 pp 1, 2

[Article by Janusz B. Grochowski: "Partnership: A Soviet Initiative, but the Deal Was Good for Both Sides"]

[Text] For now the whole firm fits in one borrowed room on the outskirts of Warsaw. A telephone, a computer, two desks, and several cabinets stuffed with the most varied documentation in Polish and Russian. These are its great assets. And the director's notebook, which contains information essential to the existence of the enterprise.

It is difficult to believe that one is dealing with a firm that is gradually taking practical control of the whole trade in computer equipment, programming, and design

between Poland and its Eastern neighbor. Precisely the reason why a dozen or so days ago, a contract creating the Polish-Soviet Joint Venture Polsib, an incorporated partnership, was signed.

"You know about the space problems in Poland." Andrzej Bilinski, head of the newly created firm, seems somewhat troubled. And a moment later he adds smiling that he will succeed in opening an office in Moscow and branches in Leningrad, Kiev, and Minsk sooner than he will succeed in establishing a central office in Warsaw. Beginnings are like that. Sending applications, persuading, explaining, agreeing, preparing consultants' opinions. In any case, things have gone rapidly. An opinion was rendered in the course of a day. Something which took others months, he was able to arrange in almost a week. Six months passed between the conception of the idea and its implementation. Although there are probably still many doubts in many peoples' minds.

Is the Partnership Necessary?

"For 20 years we have sold computer equipment to the Soviet Union, and everything was fine. Is the existing Metronex agency insufficient?" Such questions and others have arisen.

"That things were fine does not mean they cannot be better," director Bilinski replies, and he compares the computer market to the fruit and vegetable market. The similarity derives exclusively from the very high prices. Here, above all, the customer does not seek out the goods. He can choose, and the producer must work to get his attention. Sales of computers on the domestic market, given the number of firms producing them, are limited. Thus, long ago it became necessary to seek out customers outside of Poland. We found them in the Soviet Union. Mera-Blonie, Warsaw Era, the Mikrokomputery partnership, and the Krakow KFAP earn several million rubles each annually. This is encouraging, but it should not be satisfactory. All the more so, since the opportunities and needs are much, much greater. The example of the Bulgarians, who have sold the Soviet Union nearly eight-times as much computer equipment as we have, proves this point. And the reason for this situation is not at all that our goods are of worse quality, are less modern, or are more expensive. In spite of the fact that Polish electronics has lost a good deal of ground to the world leaders, in many cases the situation is the reverse. Unfortunately, the barrier is quantity! Our production capabilities are too meager.

"How can we solve this dilemma?"

Perhaps Together We Can Succeed?!

Edward Jelinek of the Siberian Section of the Soviet Academy of Sciences once proposed [working together]. The Russians were interested in facilitating the transfer of technical thought from Soviet research centers to the Polish computer industry, where the ideas would be

transformed in actual mass produced products. The Poles were interested in the development of trade with the Soviet market. The Russians proposed providing technical documentation they had developed for equipment and programming for it. The Poles would provide production capacity, which on the whole was not being used to its fullest. Jeliner's idea began to take on an increasingly concrete form. Although questions about how to actually organize the enterprise continued for a long time. Create a completely new enterprise? Unite several firms into one? Or perhaps create a partnership?

The last solution gained the most supporters. In this manner the complicated calculations of the assets entering into the business from the partners were avoided. They lost none of their independence. It was also unnecessary to engage a large amount of capital.

No Lack of Interested Parties

Several dozen enterprises and institutions on both sides of the border could have become partners in the enterprise.

"Why was the selection so extreme? We did not want to create a giant; entangled in multilateral agreements and consultations it would have lost its dynamism at the very beginning of its operation," Director Bilinski argues. In the end, seven partners signed the agreement. Two Soviet ones, the Special Design Office and the Computer Center of the Siberian Section of the Soviet Academy of Sciences; and seven Polish ones, Mera-Blonie, Warsaw Era, the Metronex Foreign Trade Enterprise, the Mikrokomputery partnership, the Polon United Nuclear Equipment Plants, and the Katowice Meraster. The initial capitalization was 120 million zloty, of which 51 percent is to be contributed by the Polish side.

The selection process for employees has been equally intense.

"We are interested only in the best." The heads of Polsib are not hiding the fact that they intend to pay well, even very well. Wages on the order of 500 rubles will not be unusual, but the demands are also high. There are 50 or more applications for jobs on Director's Bilinski's desk. Some of the applications are very interesting. But the desires of only five or six candidates will be fulfilled. Thus, filling out the 45 positions in the partnership, more than half of which will be filled by Russians, could last a fairly long time. In any case, suitability will ultimately be determined not by applications, references, or interviews, but by performance on the job. For there is no intention to sign lifetime contracts.

Isn't the Risk Too Great?

But it occurs in any activity, especially in economic ones. The Ministry for Foreign Economic cooperation wanted to know what the scale of risk was in the case of Polsib. Independent consultants from the Warsaw Main School for Planning and Statistics prepared a report.

"By 1992 exports of computer equipment to the Soviet Union should double," they said.

Director Bilinski thinks that this judgment, though very optimistic, is too cautious. The experience of Minikomputery shows that in the course of four years sales of computer equipment to the Soviet Union can triple. Polsib does not want to limit itself to offering customers only individual products. The sense of its operations will lie in coordinating efforts by the partners in order to create computer networks developed to meet the needs of the customer. The partnership is also oriented toward providing services. The preparation of specialized programming in any language, installing equipment, training equipment operators. Initially, Polsib intends to take up the coordination of shipments, for it must make money this year. The first contracts have already been prepared.

Details, intentions, plans. Everything calculated in rubles and zloty. For the partnership does not anticipate any subsidies in its budget. For the partners, its operations must not only pay for themselves, but they must produce a profit.

In all this, there is also the prose of life. Bilinski flies to Moscow through Berlin, because he cannot find a place on direct flights. Each day, Jeliner confers by telephone with his Warsaw head very early in the morning, catching him while he is still at home, since getting a connection later is nearly a miracle.

13021

Metronex Computer Products, Cooperation, Joint Production With ICL

26000629 Warsaw WALKA MŁODYCH in Polish
No 33, 14 Aug 88 p 8

[Article by Adam Synowiec]

[Text] Managing Director Boleslaw Rzycki uses a computer only in his workplace. He would never think of sitting down to one in his home. It is true that sometimes he borrows the plant's Meritum computer, but very rarely, and only at the insistent pleas of his son. Rzycki Jr., a high school student, soaks up anything having to do with computers like a sponge. The father is happy that his son has such a love for computers, but he is critical of how this interest is being demonstrated. The many hours spent in fighting an imaginary enemy created by countless numbers of computer games strain the eyes, the hands and the mind. A love for television games is not a passion which permits self-education—which would be praiseworthy. It is a horribly acting narcotic, whose only virtue is that it is based on the newest achievements of electronics. Boleslaw Rzycki does not want this for his son. That is why from time to time he locks the computer up in a cabinet, just to be on the safe side.

But he cannot deny that the Zabrze Mera-Elzab Factories helped spread the computer fad among Polish youth. Early in the 1980's, when more and more small, relatively inexpensive, easy-to-service, 8-bit home computers (Spectrum, Commodore, Atari) began to come into our country, the manufacture of the first Polish popular computer, Meritum-1, was begun in Zabrze. There rose a hope among the aficionados of this newest engineering that in the near future they, too—ordinary mortals—will become the owners of the electronic miracle of the 20th century.

"The making of a computer was something of a challenge to us," says engineer Zygmunt Korga, now an assistant director for engineering and trade in the Mera-Elzab Computer Equipment Factories in Zabrze. "The monitors which we produce had a built-in microprocessor which required professional software. Therefore, we regarded the idea of designing a computer as a kind of applications practice, an engineering exercise. Mass production of the equipment would not be begun until a large purchaser appeared. That is what we decided."

In 1983 Meritum-1 came into existence and news about it spread very quickly throughout the country. A three-man engineering team worked on the design: Pawel Podsiadlo, Jacek Lipowski and Zygmunt Korga. The idea was based on the diagram of the then-popular U.S. computer TRS-80, made by Tandy Radio Shack. At the time the Poles became interested in the TRS-80, sales of this model in the United States had exceeded one-million and a great future was predicted for it.

The biggest problem turned out to be that of adapting the TRS-80 construction concept to the engineering capabilities of the Polish electronics industry, the elements and technological base. The Polish TRS-80 clone, which, because of its distinct design was almost a completely new computer model, functioned correctly and at least in theory could meet with great interest on the computer-hungry domestic market.

And that is what happened. Computer clubs—which sprang up like mushrooms after a rain, high schools managed by the more-enlightened directors, and finally institutions and enterprises, were very anxious to buy the first Polish computer, Meritum-1, in Zabrze. Thus limited production of the equipment was started up in Elzab, without a large financial commitment. The first units were assembled simply on a long table in a warehouse, by what were really cottage-industry methods.

The Zabrze computer was constantly being updated. Meritum-2 was already equipped with a disk station, doing away with the slow and unreliable external tape memory (cassette recorder). In 1986, the concept of combining many Meritum computers into a computer network was developed. This could have been used successfully in high school classes where computer science and programming was taught. A year later, Meritum-3 appeared, which could be used in conjunction

with a monitor or a color television, had high-definition graphics, a very precise software system (DOS, CPM), and a capacity for additional programming in the Pascal, Logo or Fortran languages.

All of this was done in the belief that the Polish schools, which could not afford to put equipment purchased with foreign-exchange into the educational centers, would show a great interest in this computer.

"This is a very good computer which completely fills the requirements of our schools," says engineer Maciej Deptuch, one of the fathers of Meritum-3. "Most of our problems were with the system's software. We had to start from nothing. Our mistake (which was made at the very beginning of our experience with Meritum) was that we based the construction of the equipment on the American model, which did not meet with acceptance in Europe. Hence the paltry amount of completed recreational and educational programs which can be used in Meritum. In other words, our computer is excellent for work or to teach programming, but it cannot be used as an ordinary machine for television games."

The Zabrze firm sold the production licenses for Meritum-1 and Meritum-2 to the Wroclaw company, ELWRO. Mera-Elzab continues to produce Meritum-3 with the hope that someone will still become interested in it. ELWRO, in turn, is occupied with the startup of production of a competitor, Meritum Junior. Junior is the one which will go into the schools. It differs from Meritum-3 in that it is compatible (in software) with the English computer, ZX Spectrum, which is popular in Poland and Europe. Thousands of programs (and especially all kinds of games, some good, some bad) can be used. One can play with the computer endlessly, until the joystick breaks or one becomes dizzy. But is this what Junior is to be used for in Polish schools?

After years of silence, in January 1988 the first ELWRO-800 Juniors began to come off the assembly line at the Wroclaw factory. We are told that this year alone 10,000 units are to hit the market. Education has been waiting with great yearning for the electronic Messiah. If, a couple of years ago, a decision had been made to permit the coexistence of both types of computers (Meritum and Junior) in the Polish schools, the situation today would have been totally different. Officially and institutionally, as yet, not much has been done in Poland to popularize computers and computer science among youth. This is a passion which the young must indulge in on their own. And today, no national economy can escape from computerization. And it is primarily the children and the youth who must be taught to really understand and effectively work with electronic equipment.

From 1983 to 1987, in the Zabrze Mera-Elzab factories, approximately 6,000 Meritum computers were produced. Despite everything, half of them reached schools and are used to teach young people. Meritum has also

been used successfully in map-making and agriculture as an auxiliary electronics machine. Meritum-3 is still being produced in Zabrze, and several hundred units have already been sold.

"We are not going to produce computers for warehouse shelves," says Boleslaw Rzycki, Mera-Elzab's managing director. "From the technical standpoint, we are ready to expand production and as soon as orders come in we will try to fill them. Right now, we are selling in our factory. Meritum-3, together with a power supply adapter, sells for 150,000 zlotys. Since last November, we have also offered a Meritum-1 assembly kit for amateur electronics technicians to put together themselves. The price is 61,000 zlotys. We have already sold a few hundred such kits."

But Zabrze no longer expects Meritum to be a success on the domestic market. Everything points to the fact that the popularity of the first home computer in Poland is on the decline. The company did not make a lot of money on the Meritum family of computers, but neither did it lose. The experience gained during the design, modernization and manufacture of the equipment will be useful to the factory when it modernizes and increases production on monitors, which for years have been the distinct export specialty of Mera-Elzab.

A great deal is being said in the enterprise right now about the international company of which the Zabrze factory has become a part. The company is named Furnel International Ltd. and its shareholders, from the Polish side, are Mera-Elzab, a few wood-furniture factories (e.g., from Bialystok, Elblag and Haynowka), and Paged and Metronex, and from the British side the largest computer firm in Europe, ICL. The ICL equipment (computer systems) will be assembled in Zabrze and sold in Poland for zlotys. This in turn, will help the furniture factories raise the earnings of their employees (last year their salaries were 20 percent below the national average) and modernize their machinery stock. Polish furniture sells readily in Western Europe. Subassemblies and computer-system parts sent to Zabrze from Great Britain, therefore, will be paid for out of a part of the Polish furniture firm's foreign-exchange allowance. The circle is closing. A circle which in this case is not a symbol of stagnation, inertia and senseless operation. We are told that all shareholders in the company will find it profitable.

Director Korga says that 6 months after Furnel International Ltd. is officially registered in Poland, the first ICL computer systems, called EM-29, will be available on the market.

Mera-Elzab has hopes that its partnership with ICL will not only permit it to invest its money profitably, but more than that, it will allow it to become familiar with

engineering innovations in world electronics and the requirements of the capitalist countries' markets. It would be easier to export for hard currency through the British ICL concern.

9295

Construction Efficiency, Investment Questioned
26000582 Warsaw ODRÓDZENIE in Polish
No 30, 23 Jul 88 p 6

[Article by Bronislaw Muszynski: "Who Is Afraid of the Networks?"]

[Text] Protracted construction projects, remodelling at a snail's pace and repairs dragging on into eternity are our specialty. We pay for it by tied-up funds and a tangible increase in costs, reduced quality of work and delays in starting up production.

Calls and appeals accomplish nothing. Apparently, the arrangements of the reform have not gotten through to this sector either. Things are bad, but do they have to be like that all the time? Not at all. However, we must look at this issue from a completely different "vantage point."

I have in front of me the plan of the socio-economic development of the Lodz province for 1986 through 1990. Where there is a plan, there certainly are tables. Among them, there is a list of investment projects scheduled to be carried out in 1986 through 1990, for which the provincial budget will provide major funding under the new conditions.

I have selected several of the many projects adopted for execution in order to better portray the economic paradoxes and nonsense.

What does this list suggest? Our entire woes are in plain view. Is it all right that a community center has to be under construction for 11 years, and a couple of passages in the park almost 3 years? What acceleration are we talking about if we (i.e. the councilmen and the administrators) do not blame construction teams for the building of a small reservoir which takes as much as 5 years, or putting in 1.3 km of sewers in as many as 4 years? And so on, and so forth.

Can we, under the circumstances, believe that the budget allowed by the cost estimate will not be exceeded? After all, the payroll of guards alone at one construction site over 7 years amounts to about 6 million zlotys, or almost 10 percent of the entire planned cost of the project.

How can we estimate the social losses caused by repairs underway for several years? All of this is happening in a province where almost 50 construction enterprises operate, of which the governor is the parent agency for 27.

What is amazing about all of this is (may the new councilmen escape this disease) that construction and repairs have to take a lot of time, and protracted construction necessarily costs a lot and is low-quality. By way of justification, the argument about the shortage of materials is used, and if there are materials, about their untimely delivery and the shortage of construction equipment.

I believe that, in all sincerity we lack economics and organization. After all, if construction and industry suffer from various shortages—of funds, personnel, and materials, then we should take advantage of modern organizational methods and techniques in order to offset the shortages and cut the losses caused by insufficient funds, at least in part, through good organization of work.

Unfortunately, this is not the case.

Therefore, if enterprises themselves, on their own initiative, with a view to their own benefit, do not introduce progressive economic and organizational arrangements, then they should be faced with the necessity to do so in order for faster, more productive, economical and better work to make sense for them.

How is this to be accomplished? What should the governor, who represents the parent agency for several dozen construction enterprises, do under the circumstances?

If I were in the governor's shoes, I would first of all prepare construction norms which would specify maximum time spans for carrying out construction and repairs, depending on the size of the facility and the degree of difficulty of the job. These norms would be

mandatory for enterprises reporting to the governor. Contracting with an enterprise for putting in 2,000 linear meters of fencing for 4 million zlotys, I would establish on the basis of the norm that the time under construction for a project like that should be, say, 2 months (which anyhow appears to be too much) and add a clause that the treasury will pay this amount, if the project is commissioned before the deadline. Otherwise, the contractor will pay stiff fines. However, I would put it out for bids, so that the enterprises do not complain that in this manner one of the three S's [autonomy, self-management, and self-financing—translator's note], the autonomy, is abridged. Ultimately, everybody would work on projects voluntarily, and would take on only as many projects as he could finish quickly with the available resources.

This simple measure would force the enterprises to plan the organization of construction or repairs carefully. Meanwhile, at present every enterprise has so many projects underway that any organization is out of the question. I will try to show it now: I know first-hand a building which they decided to have repaired. The first tenants were relocated in mid-1984, the last—in December 1987. Subsequently, the building stood empty without windows and doors for several months, or deteriorated at a dreadful rate. In mid-1985, single workers began to surface from time to time. At present, 3 years later, the repairs are coming to an end. Some of us may say that it is fast enough. The thing is that the entire "facility" consisted of 8 (spelled out eight) rooms, where four families lived. What did they say at the enterprise in response to numerous queries? The usual—a shortage of materials, personnel and equipment. This is not true. There was everything, except dispersed at 20 plus construction sites.

Table

Project	Estimated Cost	Planned Time Under Construction	Tangible Results
Construction of a community center	42.7 million	11 years	—
Building a central heating connection	7.0 million	2 years and 9 months	50 linear meters of pipeline
Water reservoir	20.0 million	5 years	57,000 cubic meters
Repairs of two passages in a park	9.8 million	2 years and 9 months	—
Sewer	26.6 million	4 years and 2 months	1.3 km of pipeline
Rebuilding a residential annex	16.0 million	3 years	—
Water line	30.2 million	9 years and 9 months	2.8 km of pipeline
Building a segment of a street	66.0 million	3 years and 6 months	0.3 km of a street length
Expansion of an elementary school	41.9 million	3 years	one classroom, boiler cloakroom
Water supply system for a hospital	11.2 million	2 years and 2 months	—
Underground crossing for pedestrians (under two railway tracks)	16.0 million	7 years	—

Instead of planning, organizing and coordinating the work of people and deliveries of materials, everything is usually directed to where they yell the loudest or where it

is more convenient. This happens because the parent agencies and, at the same time, investors put up with it and tolerate any completion date indicated by construc-

tion enterprises, because they themselves have come to believe that the shortage of materials and personnel is genuine and objective.

It has come to the point that we cannot even imagine repairing a small building in a month, a shop in a week, or adding 6 classrooms to an existing school in 2 months.

A considerable tightening of construction and repair schedules and contracting jobs to enterprises, which would win bids for a speedy completion of work, would automatically cause interest in the brigade form of work, and would also necessitate the introduction of more precise methods of organizing work, primarily the implementation of network methods of planning and monitoring the progress of projects and repairs.

What Are the Network Methods About?

The object is to build a model reflecting the course of carrying out an investment or repair project. In order to build such a model, we should know which operations should be performed and in what sequence, how much time is needed for this, who is going to perform such operations, and, eventually, also what equipment is needed and what the costs of the project are. Designing this model consists of linking operations in technologically appropriate chains, which on a graph resembles an irregular net. Calculating the network is based on finding the so-called critical path, or such a chain of operations on which the duration of carrying out the entire undertaking hinges, and on finding non-critical operations, that is to say, those operations whose execution can be delayed within definite bounds of the so-called reserve time, but the deadline for finishing the entire undertaking will still be met. Due to this, the contractor may pay relatively greater attention to critical operations and manage the available resources, so as to direct them first to execute these operations on time.

Obviously, various unexpected events and disruptions happen in the course of any construction or repair project, favorable opportunities and circumstances also occur. This is why the initial net model should be consistently updated and recalculated many times as time goes by. This is particularly simple to do now on a microcomputer, because correcting the data in computer memory and repeated calculations are operations which any technician or even clerical employee can learn within a few hours.

Developing a schedule of construction or repair work in the form of a network greatly facilitates the management of these extremely complicated undertakings. Due to this, it is possible to meet the deadlines for completing construction or repairs more easily, and often even to reduce the time under construction, which allows to start

up production sooner. The network methods also allow us to reduce the cost of investment projects and repairs and use the construction potential—employees and equipment—better.

It might appear that now, when construction and repair operations are running into considerable difficulties, the contractors will strive for an intelligent approach and more efficient organization and will try to compensate for the losses caused by the shortage of tangible assets. Moreover, microcomputer equipment is becoming easily available. Despite the great results of using the network methods, the interest in them is minimal. Why?

It appears that, when a retreat from the command-and-allocation system began in the early 1980s, mathematical optimization methods were also buried on this occasion. This is an obviously nonsensical, but psychologically understandable reaction. I understand that the difficulty of calculating and updating the nets on large computers could cause a reluctant attitude towards them. However, at present, when this difficulty no longer exists, I see no reason for failing to use microcomputers in order to calculate network schedules.

Still others say that, at present building the network models does not make sense, because considerable shortages in the supply of materials, difficulties in contractor operations and equipment supply occur, which undermine the previously prepared schedules. They are mistaken, because the network methods for operational management in the course of construction or repairs would be of little use if all materials were delivered on time and there were a surplus of contractors and equipment. However, as I see it, the reluctance owes mainly to the fact that, with the help of the networks, it will often be easier to point out who is responsible for missing deadlines, and prove that the so-called objective difficulties are not always to blame. Therefore, just in case, it is better not to make the networks, because otherwise it will be more difficult to explain yourself.

Certainly, resources ultimately determine the actual scope of construction, and these are indeed modest, especially the resources of materials. To be sure, improving the organization of construction processes and using the network methods will not increase the amount of resources, but may bring about their substantially better use, which automatically effects a cost reduction, improved quality, and, primarily, reduction of time under construction. In turn, this is important for achieving results in production faster, and in the case of building or repairing non-productive facilities—for social effects.

By improving the level of organizational culture at construction sites, better results can be achieved, faster and less expensively than thus far, with the same amount of tangible assets. Moreover, it could be easily proven that it is not the shortage of material assets but exactly

the low level of organization and lack of skill in managing complex undertakings in the face of a materials shortage that are a constraint on the competency and efficiency of investment processes.

Therefore, what should be done in order to raise the level of organizational culture and the skill of managing construction projects? Basically, two measures should be taken:

- introduce on a broad scale the retraining of managers and specialists taking part in investment projects and repair processes;
- introduce economic incentives putting a premium on the speed, quality and efficiency of investment cycles and eliminating the incompetent and sluggish ones.

Will this change anything? It should!

The law on special powers for the government gives rise to optimism; now, the government can impose on organizational units "the duty to speed up changes in their internal management, to simplify their organizational structure and to eliminate administrative excesses."

I also attach my hopes to the Council of Ministers resolution on applying some special powers, which ordered to restrict the so-called investment front [number of simultaneously ongoing construction projects—translator's note] and to accelerate the already initiated investment cycles. Could the government order the use of the network methods in planning construction and repairs? In this event, the ones sabotaging investment cycles will be in plain view.

9761

Unemployment Possibilities Explored; No Alternatives Seen

26000615a Warsaw ZYCIE WARSZAWY in Polish
14 Jul 88 p 3

[Article by Krystyna Milewska: "The Labor Market and Reform"]

[Text] In Poland, the attitude toward unemployment is more ideologically emotional than economic. Most frequently, it is possible to come across two extreme views on the subject of unemployment. The first one maintains that unemployment would improve work productivity and would be conducive to respect for it. The other holds that unemployment is contrary to the principles of socialism because our form of government should ensure work for everyone—perhaps the advocates of this view would exclude do-nothings from this group but under no circumstances a dependable worker. Both these views treat unemployment most frequently as an end or at least a means of economic policy. Therefore, unemployment is, above all, the result of specific economic decisions—their indispensable price.

If during the administration of Mrs Thatcher unemployment rose in Great Britain, it is by no means because Madame Prime Minister is an enthusiast of unemployment as an economic means. Unemployment in Great Britain rose at one point as the result of the disciplining of the national budget and controlling inflation and consequently closing down, among other things, those production units which the state had to support from its budget.

And I do not feel that it is possible to prove unequivocally that following such decisions, the British worker suddenly increased his physical work output. These decisions, above all, helped to improve the economic efficiency of the entire economy and to halt the loss of work value by controlling inflation. They encouraged an increase in productivity not out of fear of losing one's job but because the money earned retains its value and creates a greater sense of economic security for those who work. Evidently, these decisions made by Madame Prime Minister and her cabinet, unpopular in some circles, found support among the majority of the public since she did not lose her post and won the election.

Of course, it is difficult to presume that our economists and politicians who must make reform decisions dream of a throng of unemployed in front of factory gates. Such throngs of people looking for work can to a certain degree mobilize others to hold on tightly to their jobs but they can also become the source of considerably more severe social unrest. Social calm is a necessary condition for the stability of any government.

If today, the double-digit rate of inflation clearly bothers all citizens in Poland, then we must realize that its source is the budget deficit and not the invasion of evil powers, whereas the cause of this deficit is also the maintaining of unprofitable enterprises. Therefore, the existing inefficient structure of production is maintained by the inflationary supply of money whereby the expense of such a situation is spread onto the entire public.

The same applies to the concept of restructuring which has currently gone through every possible analysis. It should be unequivocally stated that this means the closing down of certain unprofitable and technologically antiquated enterprises which manufacture products that do not stand up to the competition on world markets and directing the stream of funds to where this will bring about significantly greater results. For years, hard work was cultivated in our country. Work less but make more—this was a disgraceful attitude but buy low and sell high—this we called speculation. Thus, so far, others are becoming wealthy from world trade but not our country and all indications are that other countries will, undoubtedly, do everything to assure Poland the position of sweating it out in the international division of labor unless we finally stop striving for this insistently and, among other things, start to repair our economy more quickly and consistently.

Unfortunately, changes in the economic structure will be neither simple nor without conflict. In making economic decisions, the first consideration is costs and then the effects [are considered]. The problem of liquidating certain enterprises in large urban centers can be relatively easily solved, although not overnight. However, things are not as simple when decisions about closing affect one of only a few larger plants in a small town. How can other jobs be found there? Will not the lack of housing, making it impossible to relocate workers, be a barrier?

Thus, restructuring—from this point of view only—should be tied to the expansion of the housing market with the acceleration of housing turnover and the regulation in this area of the approach to ownership (in any case, this is one of the necessary conditions for solving the housing problem in Poland). And yet another problem. Even in larger cities, for example, one cannot just turn a metallurgist or welder into a news-stand keeper or ladder-mender overnight. What legal and financial solutions do we have in this area that affect those who temporarily remain without work? Little is being said about this perhaps because there are no nonconflicting measures that can be taken. Certain possibilities have been created, although the experience in using them is rather minimal.

The State Vocational Activation Fund Act of 1983 with its later amendments and executive acts provides, for example, unemployment benefits for those remaining without work temporarily. The amount of these benefits for persons who in the last 3 years have worked in socialized work establishments for 24 months comes to 70 percent of the average wages for the first 3 months of unemployment whereby this cannot be lower than the lowest wage payment and cannot exceed its twofold value. After a period of 3 months of unemployment, these benefits are reduced to 60 percent of the average wages. However, they cannot be lower than the lowest wage payment and cannot exceed its value by one and a half. After 6 months, the benefits are reduced to the value of the lowest wage payment. Moreover, training benefits are also provided during the retraining period lasting from 6 to 12 months. Those remaining temporarily out of work are also entitled to assistance supplements for family members in the amount of the family assistance benefit as well as health care, provided by the social health services. Perhaps this information is not widely known because the number of those drawing unemployment benefits in Poland is small and comes to approximately 2,000 persons.

Therefore, so far, the problem has had a marginal character and the existing solutions turn out to be adequate. However, do they gain acceptance if they affect larger groups of our population?

It should also be expected that every "restructuring" decision will be met with enormous resistance from those communities whose material and political interests will be threatened. Therefore, trade unions, political and social organizations, founding agencies, and regional administrations. Many a monopolist, who is in the red, is already fighting against bankruptcy by changing over to a joint venture and drawing in his clients as shareholders who, because of the nonexchangeable currency, must invest in the inflation-producing bankrupt and cannot find suppliers in other countries even if they were to prove to be cheaper. According to experts—of greatly differing political orientations—the current state of the economy requires radical measures including the already initiated campaign of liquidating unprofitable or useless enterprises even if in the beginning such action will be unpopular. These changes in our economy need not so much enthusiasm or confidence as genuine economic knowledge and social understanding and support for the necessary changes. The reform cannot take place without cold calculation which the world economy imposes upon us or without the exhibition of individual and collective resourcefulness in solving the problems that have been pointed out here.

9853/12232

Sadowski Meets Agriculture TU; PGR Taxes Reviewed

26000549b Warsaw TRYBUNA LUDU in Polish
4-5 Jun 88 p 8

[Text] On 3 June Deputy Premier Zdzislaw Sadowski hosted Kazimierz Iwaniec, chairman of the National Council of the Federation of Agricultural Workers Trade Unions. The subjects of the meeting were current economic, production, wage and social problems of socialized agricultural enterprises. In discussing the need for modification of the current economic and financial system at state farms, attention was called to the matter of applying principles of imposition of taxes on above-standard payments of compensation on agricultural enterprises to their specific situation and establishing a level of compensation for employees of these enterprises in reference to compensation in other areas of the national economy.

Mentioned during the discussion were problems of supplying resources for agricultural production and the relationship of prices for these resources to prices for agricultural products. The importance of social and living conditions of employees of agricultural enterprises was also stressed.

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